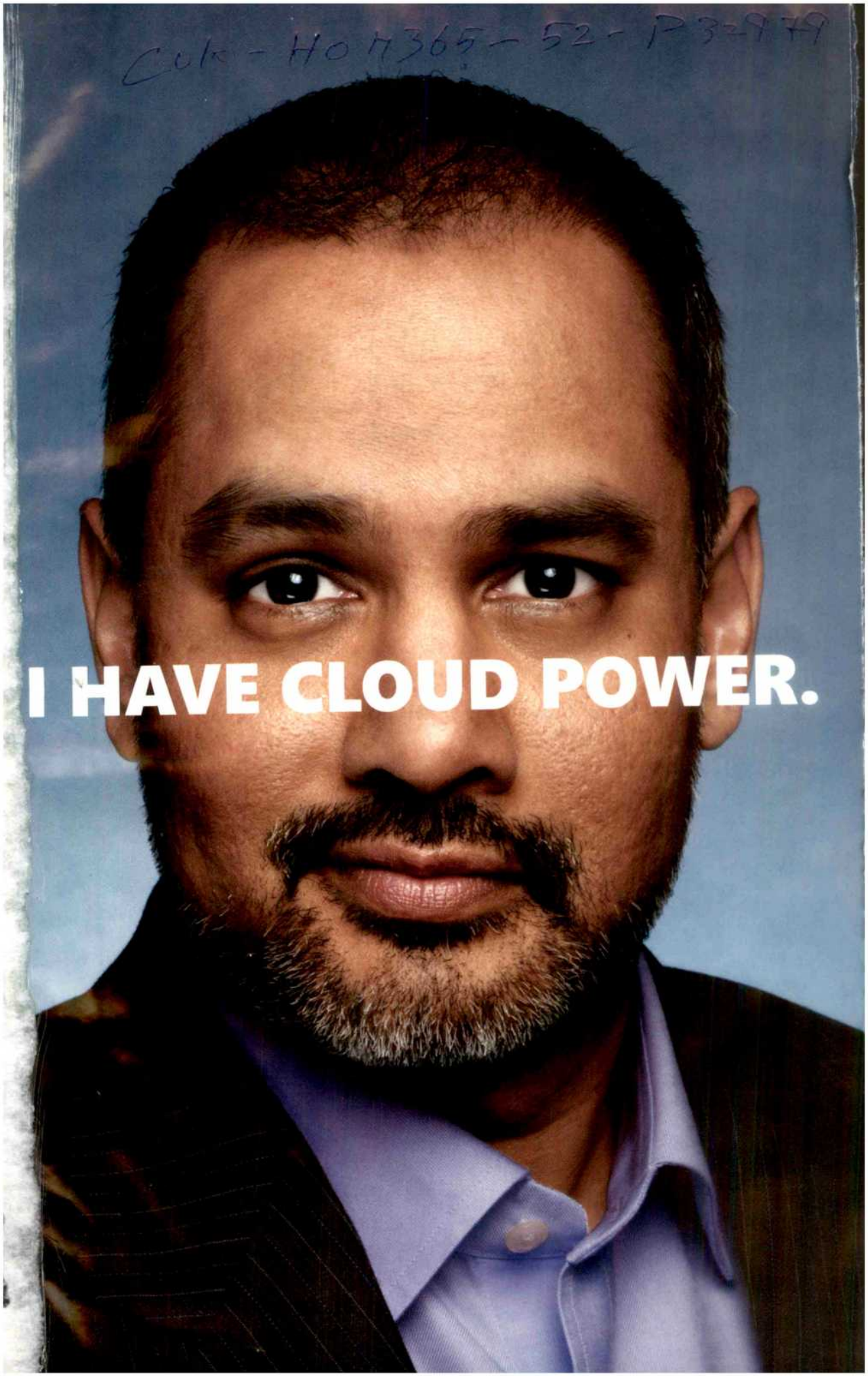

I HAVE CLOUD POWER.

Park Avenue EXCLUSIVE STORES: **BENGALURU:** Brigade Road*, 25598080 | 100 Feet Road, Indira Nagar*, 41264553; **CALICUT:** 417 Focus Mall, 4021006; **CHANDIGARH:** SCO -2 Sector 17 E*, 4653487; **CHENNAI:** 5 Citi Centre, Mylapore*, 43577111 | First Avenue, Anna Nagar*, 45500160; **DELHI:** C-12, Inner Circle, Connaught Place*, 4151655 nal Khan Road, Karol Bagh, 25744455 | Bungalow Road, Kamla Nagar*, 47001515 | E-13, South Extension - II*, 46081223 | G-35, V3S Mall, Laxmi Nagar, 47350910 | Greater Kailas 233666 | 29/B, Khan Market*, 24635755; **GURGAON:** Ground Floor, The Metropolitan*, 4300208 | F-101, Ambience Mall*, 4665464; **HYDERABAD:** Jubilee Hills Road No. 36*, 2355027 OLKATA: 6 A, Elgin Road, 22894464; **MUMBAI:** Ameya Linking Road, Santacruz (W), 26054163/64 | High Street Phoenix, Sky Zone, Lower Parel*, 24910939 | G-44, Inorbit Mall, Malad (W) 789354; **NAGPUR:** Eternity Mall, ariety Square, 6611520; **PUNE:** Amrut Chambers, F. C. Road*, 25510929.

*Park Avenue Woman Merchandise also availab

THE Raymond SHOP the answers are here. | SHOPPERS STOP | lifestyle | CENTRAL | standard's max | Biglife and other leading stores.

www.parkavenue.co

dentsumarcom/1065b

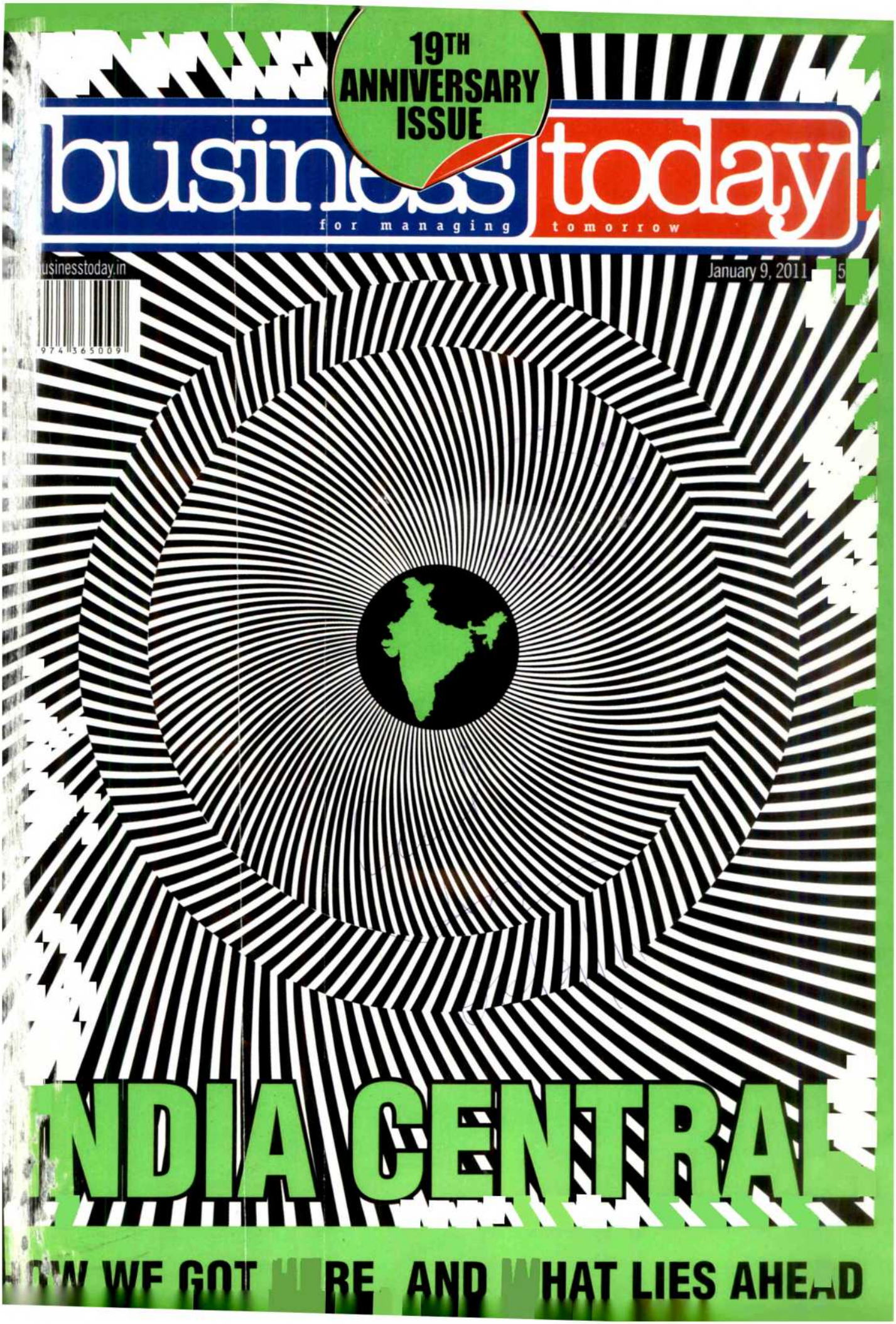
19TH ANNIVERSARY ISSUE

business today

for managing tomorrow

usinesstoday.in

January 9, 2011 5



NDIA CENTRAL

W WE GOT RE AND HAT LIES AHEAD

Cloud Power means that you have the most comprehensive solutions for the cloud available. With familiar tools that are simply more expansive, more accessible, more compatible, and more user-friendly to more users. Giving your business as much as, or everything you need to be what's next. That's Cloud Power.

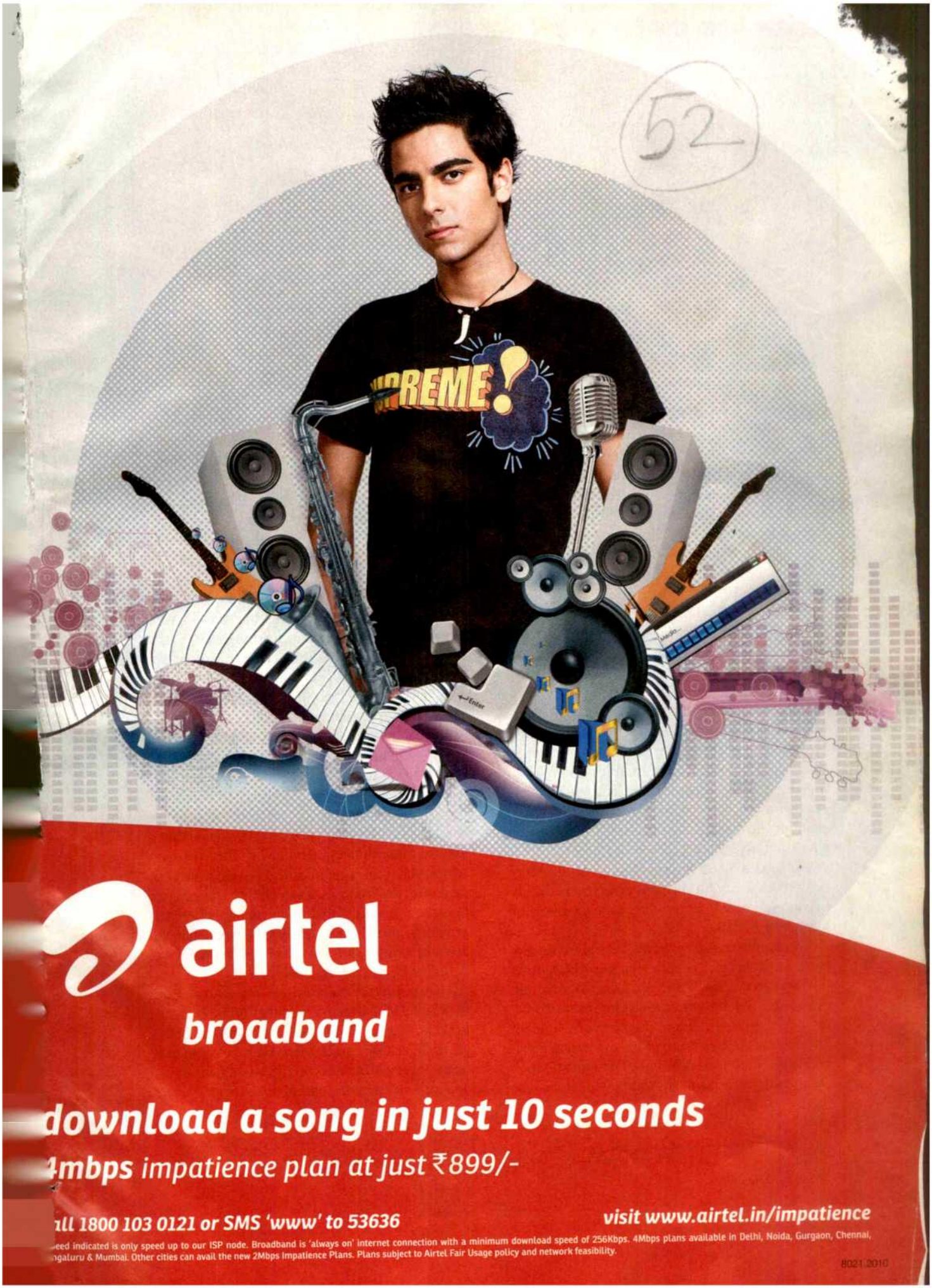
Microsoft®

Cloud Power

THE MOST COMPREHENSIVE SOLUTIONS FOR THE CLOUD. ON EARTH.

Microsoft® Office 365 • Windows Azure™ • Windows Server® Hyper-V®

www.cloudpower.in


52
airtel
broadband
download a song in just 10 seconds
4mbps impatience plan at just ₹899/-
all 1800 103 0121 or SMS 'www' to 53636
visit www.airtel.in/impatience
eed indicated is only speed up to our ISP node. Broadband is 'always on' internet connection with a minimum download speed of 256Kbps. 4Mbps plans available in Delhi, Noida, Gurgaon, Chennai, ngaluru & Mumbai. Other cities can avail the new 2Mbps Impatience Plans. Plans subject to Airtel Fair Usage policy and network feasibility.
8021.2010

Letter from the Editor-in-Chief

P32979

The end is where we start from

Like much of good poetry, this line from T.S. Eliot's *Little Gidding* is open to interpretation. The good poet was perhaps attempting to point out that the past, present and future are all interconnected, and it is this unity that humanity needs to comprehend.

The year 2011 may mark the end of two decades of reform, but it is hardly the end for the Indian economy. Rather, the two decades have created a sound platform for the next big leap.

We have seen unprecedented change, progress and growth not necessarily because governments were keen to liberalise economic policies; in most cases, circumstances and technology forced their hands. Even as relaxations in investment limits allowed multinational corporations to expand operations, it opened the eyes of Indian promoters to new opportunities. Competition intensified, making Indian companies more efficient and productive. Many more new jobs were created as the economy opened up. All this led to the rise of the Great Indian Middle Class with money in their pockets to spend on the good things of life. More recently, that purchasing power has reached semi-urban and rural Indians who aspire for the same lifestyle as the others.

To capture this story, we invited some entrepreneurs and thought leaders to pen their thoughts in this very special issue of *Business Today*. Wipro's Azim Premji feels that the key to India's future lies in how its million schools shape up. Harvard's Tarun Khanna says India's strength lies in innovating affordable solutions to problems. Economist Ashok Gulati reminds us gently that feeding India could be the biggest challenge. There are many more.

Let us take a look at some growth numbers. In 2000, the United States had a real growth rate of 4.1 per cent (i.e., GDP growth adjusted for inflation). The figure for India was 5.5 per cent. In 2008, when the world's economies turned topsy-turvy, the real economic growth in the US was two per cent. The India figure: nine per cent (Source: CIA *World Factbook*).

According to The Conference Board, an independent research organisation, the US will have a real GDP growth of 2.2 per cent during 2010-2020, and India 8.7 per cent. I believe we would grow even faster if it were not for our anaemic political leadership, stifling bureaucracy, bungling governance and myopia of our government.

To paraphrase Eliot, the end — of the developed world's dominance — is where we start from. So what if infrastructure is still poor — somebody has got to build it. And that in itself is a trillion-dollar opportunity. No manager worth his MBA degree would want to miss out on such excitement. That is why so many Indians who fled to the West pre-reforms are returning in droves — don't miss our section on the Prodigals. It can't be just a longing for home: successful global managers go where the growth is, and where it is likely to be next. That also explains why foreign CEOs not of Indian origin, too, are eager for postings in India.

We pack all this and more into our 19th anniversary issue. It is a keepsake edition brimming with lofty ideals, wise counsel, and common sense from a galaxy of thinkers and leaders. We are excited to be on the threshold of the second decade of this century, and we invite you to be part of this journey.

Aroon Purie

No. 1 DTH Company

dishtv

HALF THE NATION LOVES DISHTV.
FOR THE OTHER HALF, THE BATTLE IS STILL ON.

50% of all paid DTH owners in the country have a dishtv! So says the latest IRS data for Q2 2010. Not satisfied with just pioneering the digital revolution in India, we continue to lead it from the front. In the true spirit of a market leader, we believe in setting benchmarks for the category and exceeding the expectations of our customers. Be it technology innovations like 'dish truHD' or novel delightful initiatives like 'Call Me Service', we believe in spreading joy, through a world-class entertainment experience. And our customers entrust their belief in us. We thank every member of our 9 million strong family.

www.dishtv.in

As per the latest IRS data for Q2 2010 (Jan '09-Apr '10), dishtv owns 50%, Tata Sky 18%, Sun Direct TV 19%, Reliance Big TV 6%, Airtel Digital TV 6% and Videocon D2H 1% market share in paid DTH category in India.

*Basis all registered connections till date.

MMM (T) (A) (O) DISHTV/A/11/10

CONTENTS JAN/ 09/ 2011

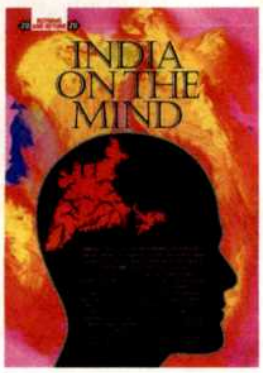
Volume 20/Number 1

FOCUS

13 | Destiny's Child Turns 20
July 1991 was India's second tryst with destiny. A look back at the highs and the lows, the hits and the misses, two decades on.

20 REFORMS AND BEYOND 20

55 | India on the Mind
BT asked some of India's finest minds to paint in broad-brush strokes the big picture they saw for the country. Their distilled worldview.



ESSAYS

56 | Gopalkrishna Gandhi, Former Governor of West Bengal, on how India's simple folk will keep its stature unsullied

60 | N.R. Narayana Murthy, Chairman of Infosys Technologies, on creating a leadership pipeline

66 | Dipankar Gupta, Professor and sociologist, on why the 'elite of calling' must drive the change agenda

72 | G.R. Gopinath, Pioneer of low-cost aviation, puts his hope on the India of entrepreneurs

76 | Nandan Nilekani, Chairman, UIDAI, on the four forces that will make or break India's future

80 | Ashok Gulati, Director in Asia, International Food Policy Research Institute, on feeding a billion people

84 | Tarun Khanna, Harvard B-School Professor, on how affordability could be used to India's advantage

88 | Azim Premji, Wipro's Chairman, says India's schools need attention: they will decide the social fabric

92 | Arun Maira, Member, Planning Commission, on the fireflies— India's teeming entrepreneurs

96 | Nachiket Mor, Chairman, IFMR Trust, says the private sector is best placed to help the low-income households

102 | Vijay Govindarajan, Professor, Tuck School of Business, on the global opportunity for Indian innovators

106 | G.V. Ramakrishna, former chairman of the Securities and Exchange Board of India, on regulation

COLUMNS

110 | Kumar Mangalam Birla, Chairman, Aditya Birla Group, on the road ahead for this Indian multinational

112 | Y.C. Deveshwar, Chairman, ITC, on why the triple bottom line approach is the key to long life for a company

114 | Uday Kotak, Founder, Kotak Mahindra Bank, on the financial sector's role in helping Young India

116 | Kamal Sharma, MD, Lupin, on the Indian pharma industry's outlook and global challenges

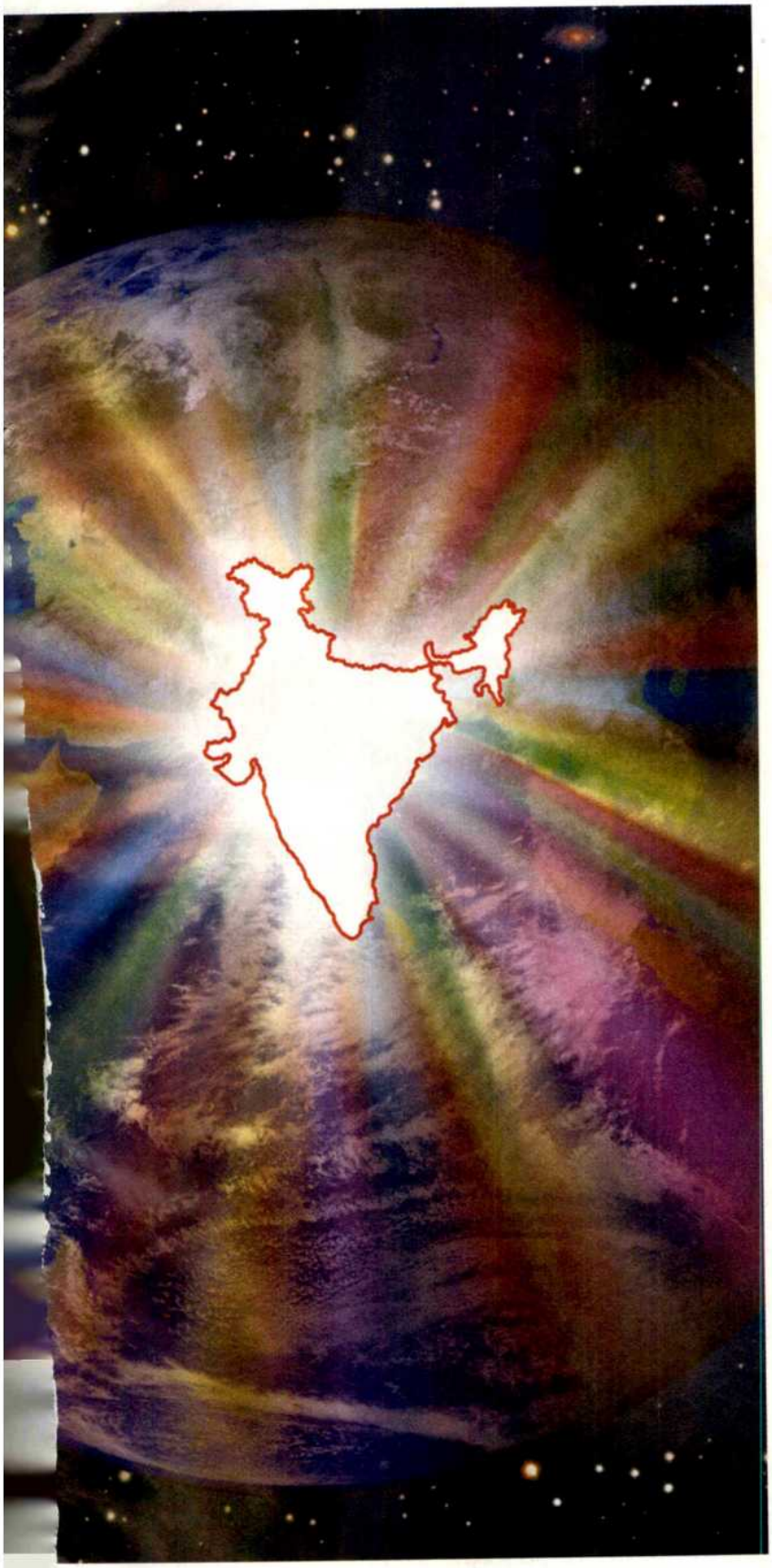
118 | Chanda Kochhar, MD & CEO, ICICI Bank, sees big demand for retail, project, trade and corporate finance

120 | Subhash Chandra, Chairman, Zee Entertainment, says broadcasters must adapt to consumer needs

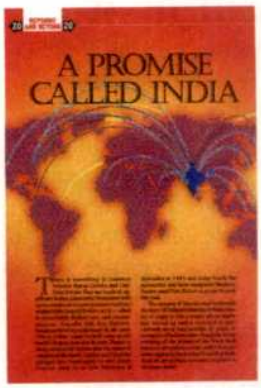
125 | Ajay Piramal, Chairman, Piramal Enterprises, on remote healing with low-cost but high-impact models

126 | A.M. Naik, CMD, Larsen & Toubro, warns of a shortage of engineers in factories and infrastructure

128 | Harsh Mariwala, CMD, Marico, says the FMCG sector is poised to reap the demographic dividend



COVER BY KAPIL



THE PRODIGALS

131 | The story of Indians returning to their country of origin to ride a wagon whose engine has revved up and is expected to purr vibrantly for at least another 20 years

THE IMMIGRANTS

158 | A number of Indian businesses — particularly New Age ones — have foreigners in the driver's seat

172 | MNCs are putting Indians back at the helm of domestic operations

THE REFORMS ALBUM

176 | Images of the men, machines and moments that defined and shaped India and Indian business in the last two decades

PEOPLE BUSINESS

204 | The Global Indians who put the country on the world map

LAST WORD

210 | A splendid 2030 awaits an honest and hard-working nation

Bond with the Best

Your analysis and ranking of *India's Best Banks* (BT cover, December 26) show that companies and investors don't have to worry about putting their money in the bank. The banks featured on your list come out tops on parameters of strong capitalisation, good profitability, healthy balance sheet, low NPAS and excellent asset quality.

Amitabh Chaudhary, *Mumbai*

Customer is King

Public sector banks in India including SBI have failed to keep up with the growing customer expectations. While private banks in India provide the best of the services, state-owned banks need to gear up on customer focus and service delivery if they want to retain and grow their customer base. As your cover story shows, banks that have cottoned on to the linkage between performance and customer service have gone up the value chain.

Alok Rai, *Chennai*

Rural Banking

PSU banks need to pursue innovative growth without sacrificing financial inclusion and priority sector lending. I wish to cite the example of a recent agreement between the State Bank of Travancore and Kudumbashree, a Kerala government initiative to eradicate poverty through community action. Kudumbashree members act as business correspondents in rural areas where there are no banking facilities.

Jacob Sahayam, *Thiruvananthapuram*

"It is important that banks focus on financial parameters that are accepted standards of gauging performance."

Sky-high Airfares

Airfares remain too high for middle-income passengers in India (*Airfares Take Off*, BT, December 26). Even frequent flyers are at a loss to understand how airlines price their spot tickets. The industry blames taxes and steep airport charges for high airfares. The government should act to make pricing of air tickets transparent so that airlines do not resort to predatory practices.

Mahesh Kumar, *Delhi*

Braving Business Odds

Five Kashmiris the World Should Know (BT, December 12) recounts stories of great entrepreneurial ability in the face of adversity and odds. The Kashmiri entrepreneurs exemplify a tenacity of spirit and doggedness in business that is the stuff of lessons in classics like Tom Peters' *Thriving on Chaos.*

B. Rajasekaran, *Bangalore*

ENTERPRISE Valley Tales

Five Kashmiris
The World Should Know

In the political and economic chaos that is Kashmir, BT discovers some entrepreneurs who have found a way to thrive.

www.businesstoday.in@coverstory: *Pester Power (BT,* December 12) on how kids are driving consumption of phones, gadgets, toys, clothes, food and other items.

www.businesstoday.in@coverstory: *BT 500: India's Most Valuable Companies* (*BT,* November 28) offers a ready reckoner of top companies by their market value.

BT SCRAPBOOK

- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.businesstoday.in

HOW TO CONTACT BT

WRITE TO:
The Editor, Business Today, Videocon Tower, 5th Floor, E-1, Jhandewalan Extension, New Delhi–110055.
E-mail: letters.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) – 201 301
Phone: (95120) 2479900 from Delhi & Faridabad; (0120) 2479900 (Monday-Friday; 10 am-6 pm) from Rest of India;
Toll free no. 1800 1800 100 (from BSNL/ MTNL Lines);
Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

GEORG1A

The world's number one reformer 2005-2010

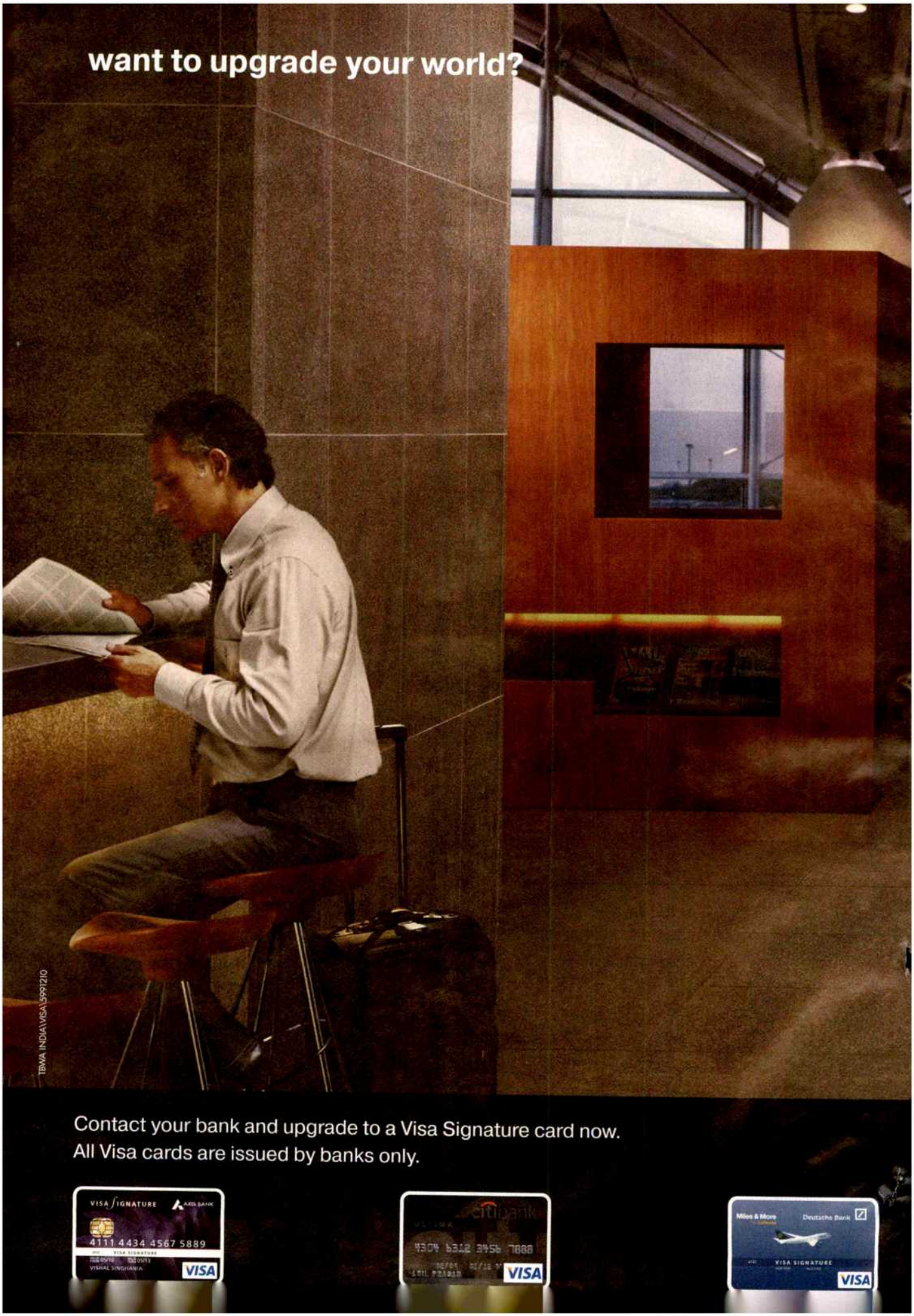
The number one easiest place to do business in Eastern and Central Europe and the entire post-Soviet region.

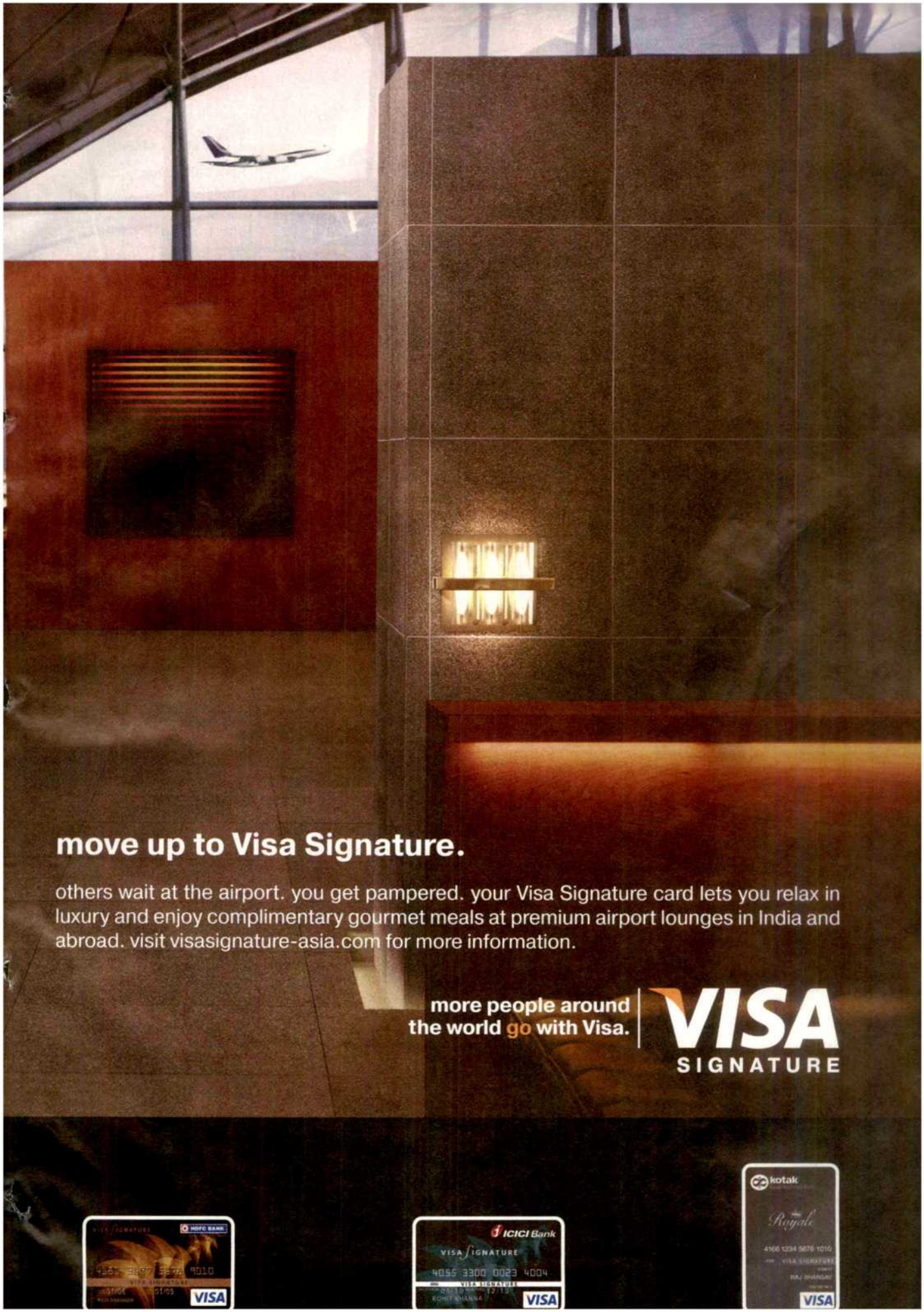
We've done it by undergoing huge change both politically and economically and we plan to grow even more quickly in the future.

To find out how to become part of Georgia's big success story please visit **georgia.gov.ge**

grow with
GEORGIA

Source: Doing Business Report 2011, World Bank and International Finance Corporation. www.doingbusiness.org


want to upgrade your world?
TBWA INDIA\VISA\59991210
Contact your bank and upgrade to a Visa Signature card now.
All Visa cards are issued by banks only.
VISA SIGNATURE
AXIS BANK
4111 4434 4567 5889
VISHAL SINGHANIA
VISA
citibank
VISA
Miles & More
Deutsche Bank
VISA SIGNATURE
VISA


move up to Visa Signature.
others wait at the airport. you get pampered. your Visa Signature card lets you relax in luxury and enjoy complimentary gourmet meals at premium airport lounges in India and abroad. visit visasignature-asia.com for more information.
more people around the world go with Visa.
VISA
SIGNATURE
HDFC BANK
VISA
ICICI Bank
VISA SIGNATURE
4055 3300 0023 4004
VISA
kotak
Royale
VISA

business today

http://www.businesstoday.in

Editor-in-Chief: Aroon Purie

Chief Executive Officer: Ashish Bagga

Editor: Chaitanya Kalbag

Managing Editors: Brian Carvalho, Josey Puliyenthuruthel

Deputy Editor: Somnath Dasgupta

Senior Editors: Anand Adhikari, N. Madhavan, K. Sai Srinivas

Art Editor: Safia Zahid Siddiqui

Photo Editor: Vivan Mehra

Associate Editors: K.R. Balasubramanyam (Bangalore), Saumya Bhattacharya (Delhi), Shalini S. Dagar (Delhi), Rishi Joshi (Delhi), Suman Layak (Mumbai), T.V. Mahalingam (Mumbai), Puja Mehra (Delhi), Kushan Mitra (Delhi), Shamni Pande (Delhi), Mukul Rai (Delhi), Rahul Sachitanand (Bangalore)

Assistant Editors: E. Kumar Sharma (Hyderabad), Anusha Subramanian (Mumbai)

Special Correspondents: Rajiv Bhuva (Mumbai), Nitya Varadarajan (Chennai)

Principal Correspondents: Anumeha Chaturvedi (Delhi), Manu Kaushik (Delhi)

Copy Desk: Sanjay Kumar (Chief Copy Editor), Virat Markandeya (Chief Copy Editor), Roopali Joshi (Deputy Copy Editor), G.D. Padhy (Editorial Coordinator)

Photo Department: Umesh Goswami (Chief Photographer), Shekhar Kumar Ghosh (Deputy Chief Photographer), Deepak G. Pawar (Deputy Chief Photographer), Nishikant Gamre, Rachit Goswami, Money Sharma, Lalit Rana (Senior Photo Researcher)

Art Department: Kapil Kashyap (Art Director), Rajat Baran Chakravartty (Deputy Art Director), Anand Sinha (Assistant Art Director), Anita Jaisinghani (Chief Visualiser), N. Ravishankar Reddy (Senior Visualiser), Vikas Gupta (Senior Visualiser), Kuldeep Bhardwaj (Chief Infographist)

Production Department: Dinesh Sachdeva (Chief of Production), Narendra Singh, Rajesh Verma, Rajkumar Wahi (Senior Supervisor), Mohammed Shahid (Senior DTP Designer)

IMPACT TEAM

Senior General Managers: Upendra Wellingkar (West & South), Neeraj Sharma (North), Sunil R. (Bangalore), Kaustav Chatterjee (East), V. Somasundaram (Chennai), Jitendra Lad (West)

Consumer Marketing Services: Poonam Sangha, Sr. General Manager

News-stand Sales: D.V.S. Rama Rao, Chief General Manager, Vinod Das, Senior General Manager (National), Deepak Bhatt, General Manager (North), V.A. Chotalia, Regional Manager (East), Rajesh Menon, General Manager (West), M. Krishna Kiran, General Manager (South), Rakesh Sharma, General Manager (Operations)

India Today Group

Vol. 20, No. 1, for the fortnight December 27- January 9, 2011. Released on December 27, 2010.

● Editorial Office (Delhi) 5th Floor, Videocon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-23684812-15; Fax: 011-23684819; E-mail: btoday@giasdl01.vsnl.net.in ● Advertising Office (Delhi): Ground Floor, Videocon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-43129111; Fax: 011-23593380/81; Trade Centre, 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400013; Tel.: 022-24983355; Fax: 022-24982266; Impact office: Trade Centre 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013; Tel.: 022-24983355; Fax: 022-24982266. Chennai 2nd Floor, 98-A, Dr Radhakrishnan Salai, Mylapore, Chennai-600004; Tel.: 044-28478526-41; Fax: 28472178; Bangalore 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel.: 080-22212448, 080-30374106; Fax: 080-22218335; Kolkata, 52, J.L. Road, 4th floor, Kolkata-700071; Tel.: 033-22825398, 033-22827726, 033-22821922; Fax: 033-22827254; Hyderabad 6-3-885/7/B, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel.: 040-23401657, 040-23400479; Ahmedabad 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel.: 079-6560393, 079-6560929; Fax: 079-6565293; 39/1045; Kochi Karakkatt Road, Kochi-682 016; Tel.: 0484-2377057, 0484-2377058; Fax: 0484-370962 ● Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301; Tel.: 95120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday: 10 am-6 pm) from Rest of India; Toll free no.1800 1800 100 (from BSNL/ MTNL Lines); Fax: 0120-4078080; E-mail: wecarebg@intoday.com ● Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301; Tel.: 0120-4019500; Fax: 0120-4019664 © 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited. Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana) and at Plot No. 5-5/A, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai-400 708 (Maharashtra). Published at K-9, Connaught Circus, New Delhi-110 001.

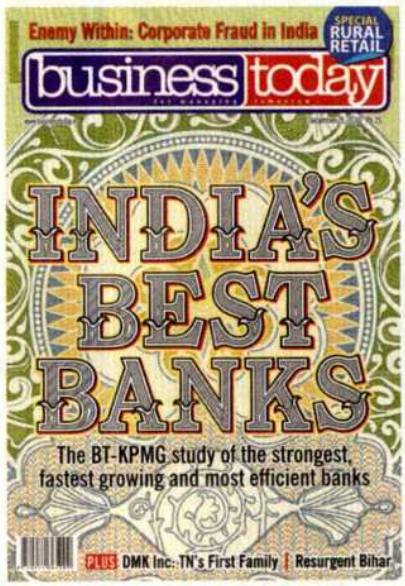
● Business Today does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/ New Delhi only

For **reprint rights and syndication** enquiries, contact syndications@intoday.com or call +91-120-4078000

www.syndicationstoday.in

Now available online



Letter from the Editor »
businesstoday.in/editor

Case Study

Read cases of corporate successes and failures analysed in detail and lessons drawn. Plus, commentaries from experts. Cases include **The Oberoi Group, Ashok Leyland, MRTS Chennai, Ponni Sugars** and **Maruti Suzuki.**

businesstoday.in/casestudy

Annual listing

Business Today's much-awaited annual specials are a collector's delight. To access these, go to www.businesstoday.in, and then to archives.

Specials

PARTICIPATE IN THE:
Best Companies To Work For

LOG ON TO:
indicus.net/BTbestcompaniestoworkfor

Subscribe Now:
businesstoday.in/subscribe
or Call Toll free: 18001800100

Utility Tools

Risk Calculator
Analyse your risk tolerance and decide your investment approach.

Also: Future Needs Calculator, Education Plan, EMI Calculator...
businesstoday.in

e-newsletter

Register for free and subscribe to Business Today's e-newsletter.
businesstoday.in

Read now on

ZINIO: businesstoday.in/zinio
KINDLE: businesstoday.in/kindle

ON MOBILE

Hot New Management Tip
Get a tip for the day every day, and participate in opinion polls through SMS on your mobile phone 24 hours a day.

SMS BTTIP to 52424

NOTE: Available with all cellular operators. Regular SMS charges apply.

ANSWER THE BT-ON-THE-MOVE QUESTION

Do you support government intervention to check airlines from raising airfares too high?

Type **"BTPOLL Y"** for Yes.
Type **"BTPOLL N"** for No.

SMS to 52424

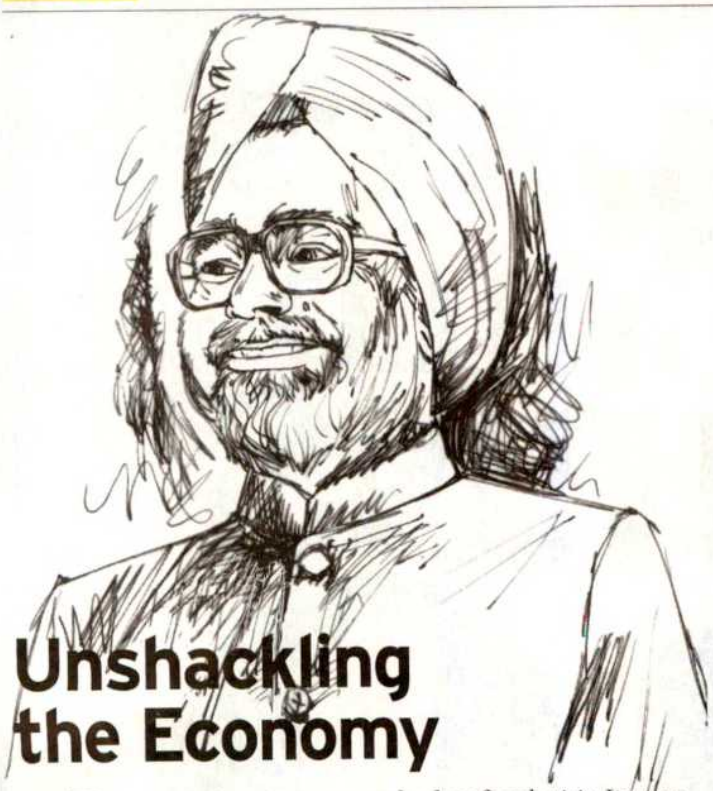
Readers can also participate in the poll at www.businesstoday.in
Powered by 2ergo India
www.2ergo.com

DESTINY'S CHILD TURNS 20

It was India's second tryst with destiny. July 1991. The economy is on the edge of a precipice, growing at low single-digit numbers, foreign exchange reserves are at ₹2,500 crore (enough to finance imports for just a fortnight) and inflation in double digits. *Business Today* is yet to be born.

Then, Manmohan Singh rises to present the Budget in Parliament. There is no time to lose, he says, and reads out an 18,500-word thriller in which the word reform figures just 14 times. Two decades on, India stands transformed, poised to become the world's fastest-growing economy, with domestic demand helping it ride out the recent global shock.

Over the next 20 pages, savour the highs and the lows, the hits and the misses. We hope you enjoy it as much as the team that put it together — N. Madhavan, Rishi Joshi, T.V. Mahalingam, Anumeha Chaturvedi, Manu Kaushik and Vijaylakshmi Vardan.



ILLUSTRATIONS BY RAJAT BARAN

Unshackling the Economy

A comatose economy and a deep fiscal crisis. It was a mountain to climb for the Cambridge-educated former bureaucrat Manmohan Singh, when he rose to present India's Budget on July 24, 1991. Consider this. India's debt amounted to ₹182,000 crore and the government was paying every second rupee it earned towards interest (₹27,000 crore). Inflation was in double digits and the cash crunch severe. Worse, forex reserves were barely enough for three weeks of essential imports and India appeared weeks away from defaulting on its external obligations. Internally, the licence raj and a bloated bureaucracy was stifling India's economic growth.

Singh, though, was equal to the task. The P.V. Narasimha Rao government ended the licence raj, abolished industrial licensing in all but 18 industries and allowed companies to expand without government permission. The policies did not signal total decontrol but there was a tectonic shift from the Nehruvian policy of dependence on the public sector. Singh's landmark Budget coupled with the 20 per cent devaluation of the rupee set the Indian economy on the path to recovery and a fast pace of growth over the next two decades.

QUOTE OF THE YEAR

"Let the whole world hear it loud and clear. India is now wide awake. We shall prevail. We shall overcome."

Manmohan Singh, in his Budget speech

DID YOU KNOW?

India allows 51 per cent FDI in auto manufacturing. GM, Ford and Hyundai were among the global majors which set up factories here. Today, India-made cars sell in Europe and Africa. Next stop: the United States.

Power to Them

Electricity boards, or state-run generation and distribution utilities, were broke and in no position to expand. The government allowed private players in generation sweetening the deal with an assured return. Bad decision (remember Enron?). Years later, lessons learnt, the focus shifted to distribution – helping in part raise capacity 2.5 times to 167,000 MW today, 33,183 MW of which is private-run. Still, large parts of India remain unlit prompting experiments with microgeneration networks and off-grid power.

The Chosen One

As Ratan Tata was named to step into the big shoes of his uncle J.R.D. Tata, the choice drew brickbats from within and outside Bombay House. Many said he was chosen the Tata group Chairman only because of his surname. Over time, he has made his critics eat humble pie. When he took over, the Tata group had 1.19 lakh employees and revenues of ₹30,920 crore. Today, as he prepares to hang up his boots, its employee base has swelled to 3.21 lakh, revenues stand at ₹293,562 crore and the Tata group can rightfully call itself the first Indian MNC.

SIX YEARS OF INSTITUTIONAL EXCELLENCE

Ranked as India's BEST, Strongest and Fastest Growing Mid-Sized Bank by the Business Today - KPMG Best Banks Survey 2010

nce inception in 2004, YES BANK has created a new aradigm in Indian Banking, through continuous Innovation d Excellence. On our 6th Anniversary, as a full-service ommercial and retail Bank, we re-dedicate ourselves wards delivering the Finest Banking Experience in India.

er 170 Branches Pan India | 225+ ATMs | 2 National Operating Centres

YES BANK

EXPERIENCE OUR EXPERTISE

rporate and Registered Office: Nehru Centre, 9th Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai- 400018. India. www.yesbank.in

Enter the FIIs

Foreign institutional investors (FIIs) entered the Indian stock market in September 1992. They began cautiously. By 1993, 18 FIIs were registered with market watchdog SEBI and they had invested ₹2,595 crore. As they gained in confidence and began to believe in the India growth story, the trickle became a flood. As of December 7, 2010, 1,713 FIIs were registered with SEBI and their net investment in India (both equity and debt) stood at ₹524,370 crore.

DID YOU KNOW?
Harshad Mehta had paid an advance tax of ₹28 crore for the financial year 1991-92. That and his extravagant lifestyle caught the taxman's attention.

The Securities Scam

At 37, Harshad Mehta had everything going for him. The New India Assurance employee-turned stockbroker was living in a 15,000 sq.ft. plush apartment with a swimming pool in up-market Worli. Dalal Street worshipped him as the "Big Bull". When the securities scam of 1992 broke out, it emerged that Mehta was using bank receipts of public sector banks to buy stocks. Mehta deployed well over ₹1,000 crore and triggered the biggest bull run in the Indian stock market. The BSE Sensex rose from around 2,000 points in January 1992 to 4,467 points in April that year. The Sensex tanked to 2,529 points in August, wiping out over ₹100,000 crore in market capitalisation. The scam rocked Parliament and Mehta was jailed. A decade later, Mehta died in a hospital with 27 cases still pending against him. The SEBI Act was enacted in the aftermath, but that still did not prevent the occurrence of market manipulations like the MS Shoes scam (1994), CRB scam (1997), vanishing companies scam (1998), plantation companies scam (1999), and the Ketan Parekh scam (2001).

The First GDR Issue

While allowing FIIs access to the Indian securities market, the government simultaneously permitted Indian companies to raise funds from international markets. Reliance Industries was the first to take advantage of this. In what was the first ever international share offering by an Indian corporate, Reliance raised $150 million to fund its expansion plan through global depository receipts that were listed on the New York Stock Exchange.

QUOTE OF THE YEAR

"We have realised that the days of conglomerates are over. The protected environment is crumbling all around us." Harsh Goenka, MD, Chairman, RPG Enterprises

A company of progress. Built around technology, innovation and people like us.

telenor group

built around people

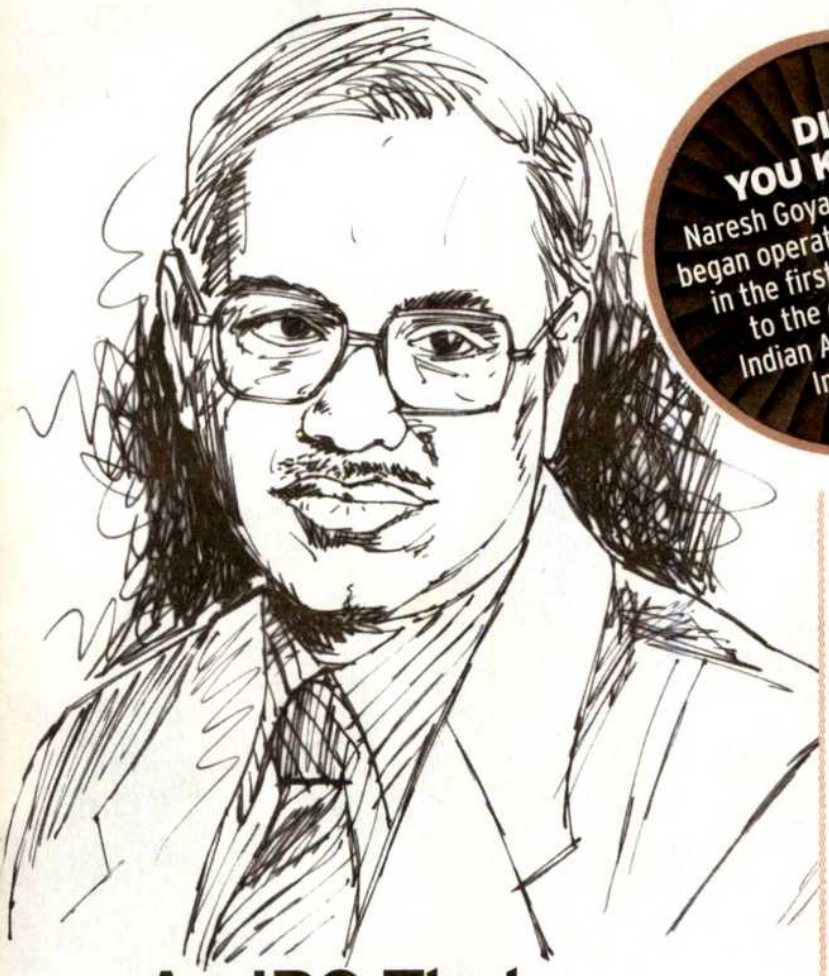
Let's face it; it's a new world. Exciting, dynamic and fast. And it changes every day of our lives. As a leading global telecoms company, we're excited by the potential of what the future offers. However, our view of technology isn't just built around the technical. It's built around human needs. It's built around the idea that the things we make and invent can help benefit people's lives. Economically and socially. That's because we at Telenor Group live the 'Telenor Way.' At the heart of our business are a set of values that act as an inspiration for everything we do. To find out more about how Telenor Group's advances are 'built around people,' visit www.telenor.com

his advertisement features Telenor Group employees

elenor Group is one of the world's leading providers of telecoms services. To find out more about how we put people at the heart of our usiness, visit www.telenor.com

lenor Group has telecom operations in these countries: Norway, Denmark, Sweden, Hungary, Montenegro, Serbia, Pakistan, Bangladesh, Thailand, Malaysia, India.

Telenor Group Asia: telenor dtac grameenphone DIGI uninor



An IPO That Flew; and How

Infosys Technologies, today the bellwether IT stock in India, was far from a favoured pick 18 years ago. When it tested the waters with a share offering in February 1993, N.R. Narayana Murthy and his team got a cold response from Dalal Street denizens. The ₹95 per share issue (₹10 plus a premium of ₹85) almost bombed. Investors clearly perceived the premium too high for an obscure company. Desperate calls went to people such as V.G. Siddhartha, today Chairman of Amalgamated Bean Coffee Trading Co., better known for the Café Coffee Day chain he runs.

The IPO scraped through after investment banker Morgan Stanley picked up 13 per cent of the company's equity, and what a cracker the listing turned out to be. If you had bought 100 shares in the IPO by shelling out ₹9,500, it would be valued at a little over ₹4 crore today. Siddhartha's investment alone would have been worth some ₹2,000 crore if he had held on to his Infosys shares, he told *BT* earlier this year. A strong dividend record, an even better bonus history, supernormal corporate governance standards and the company's robust revenue and profit growth have brought it where it is.

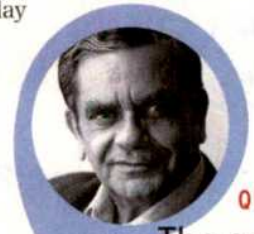
DID YOU KNOW?
Naresh Goyal's Jet Airways began operations in May 1993 in the first real challenge to the dominance of Indian Airlines over the Indian skies.

Nod to Private MFs

Winds of change swept through the Indian mutual fund industry in 1993. The government allowed the private sector into an industry that was until then controlled by the Unit Trust of India. Kothari Pioneer Mutual Fund was the first off the block in July 1993. Private sector mutual funds, with their innovative schemes, improved customer service, and better marketing and distribution networks reached out to investors, who responded enthusiastically. In 1993, the total assets under management by mutual funds were ₹47,000 crore. Today, it stands at ₹665,282 crore and there are at least 39 private sector funds servicing the investors.

Crackdown on Badla

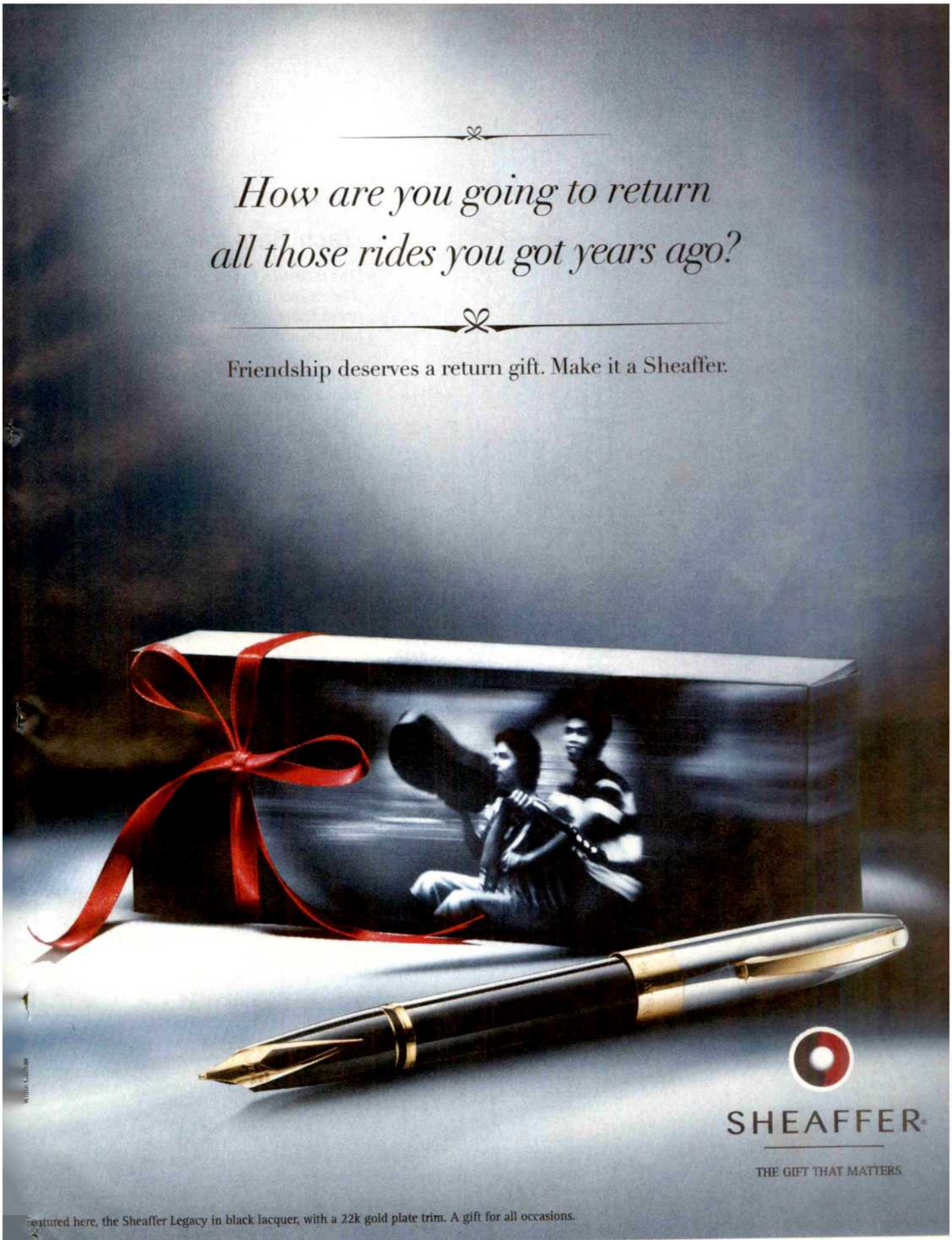
Badla, the indigenous carry-forward system invented at the Bombay Stock Exchange to overcome liquidity constraints in the secondary market, was banned to rein in speculation and make the markets more transparent. Stiff opposition from the broking community forced the market regulator SEBI to reintroduce it in 1996. It was finally consigned to history in 2001 with the introduction of rolling settlement along with futures and options contracts.



QUOTE OF THE YEAR

"The genie is out of the bottle. The reforms have a momentum of their own."

Jagdish Bhagwati, Economic Policy Advisor to the Director General of GATT



WILLIAM PENN
THE WORLD PEN STORE

Mumbai: Grand Galleria, High Street Phoenix Ph: 40041252 | Inorbit Mall, Malad Ph: 28785818 | Inorbit Mall, Vashi Ph: 40131495 ● **Bangalore:** The Forum Ph: 32721999 | Garuda Mall Ph: 41127993 | Koramangala Ph: 40535555 Mantri Square Mall Ph: 22667315 ● **Chennai:** Express Avenue Mall Ph: 28464018 ● **Delhi:** Select CITYWALK Ph: 40534512 ● **Airport Stores:** Delhi | Mumbai | Hyderabad | Bangalore ● **For corporate enquiries, call Bangalore: 09845987272 | Delhi: 09811471923 | Mumbai: 09167210170 | Hyderabad: 09963426632 | Kerala: 08129437383 Kolkata: 09830627408 | Chennai: 09962085085 ● Shop Online** www.williampenn.net | info@williampenn.net

Market Makeover

It was a gigantic leap forward for the Indian equity markets. The National Stock Exchange (NSE) launched its operations which went on to change the face of the markets by ushering in technology-based trading. Its fully-automated screen-based stock trading, linked across the country through a VSAT network, allowed brokers to buy and sell shares from the comfort of their offices.

It was the death knell for the Bombay Stock Exchange or BSE's traditional outcry system, which had become opaque, time-consuming, inefficient and imposed limits on trading in the absence of any technology interface whatsoever. The BSE was forced to follow suit and adopt electronic trading in 1995.

Online trading offered transparent transactions and immediate matching of trades, and went a long way in making the markets more investor-friendly. It also paved the way for further market reforms such as the introduction of derivatives trading in 2000 by both the bourses.

Today, the NSE has 2,799 VSAT-enabled terminals across 1,500 cities and towns and is the largest stock exchange in India in terms of daily turnover and number of trades.

1994

Tech Banking

The Industrial Credit and Investment Corporation of India (ICICI), then a development finance institution, saw an opportunity when the government threw open banking to the private sector. There were many public sector banks with a large branch network but with little automation and poor customer service.

ICICI established a separate banking subsidiary, later renamed as ICICI Bank. The intention was to leverage technology to offer better services at a low cost. Its success forced almost all other banks to embrace technology and streamline operations. Today, after its reverse merger with its parent in 2001, ICICI Bank is India's second-largest bank.

New Telecom Policy

The government unveiled its new telecom policy. The country's teledensity then was an abysmal 0.8 per 100 people as against the world average of 10. The policy aimed at making telephones available on demand by 2007. Licences were awarded to telecom operators for starting cellular services in the metros. The policy laid the foundation for India's emergence as the world's fastest-growing telecom market with 723 million telephone lines (land plus cellular) and a teledensity of over 60 per cent.

DID YOU KNOW?

The government announced a new drug policy that scrapped industrial licensing and reduced the number of drugs under price control to help India emerge as a self-reliant, low-cost producer of drugs.

QUOTE OF THE YEAR

Companies will have to stick to their core businesses and become big players in that area so that they can fight the multinationals." R.C. Bhargava, Managing Director, Maruti Udyog

FLOWMORE

& POWER

P32979

Flowmore, over 60 years from its inception, now occupies a prominent position of pride and is recognized as a leader in large and special application pumps. Delivery, quality & customer service, are our greatest strengths. With proven technology, acquired from U.S., Flowmore has accumulated the most integrated capabilities in pump design and manufacturing facilities, & is currently building India's largest test bed with a capacity of 7,00,00,000 litres/hour.

Flowmore offers the power generation industry an extensive range of innovative products and services with a capability to manufacture pumps for 800 mw units. Some of the prominent customers are NTPC, BHEL, EIL, BGR, Punj Lloyd, Essar, Reliance Energy, RIL, Jindal Power, Hindalco, Tata Power, Thermax, IOCL, HPCL, all State/Central Electricity Boards, etc.

END SUCTION

FIRE FIGHTING

NON CLOG

HORIZONTAL SPLIT CASE

VERTICAL TURBINE

FLOWMORE PUMPS

Flow for life

OFFICES: GURGAON MUMBAI PUNE CHENNAI KOLKATA AHMEDABAD BANGALORE BHUBANESWAR SECUNDERABAD INDORE JAIPUR JAMSHEDPUR NAGPUR PATNA RAIPUR KANPUR

Website : www.flowmorepumps.com Phone : 91-124-3010883 to 92 Fax : 91-124-3010895, 3010896, E-mail: corporate@flowmoregroup.com

ISO 9001 / ISO 14001 / ISO 18001

INDIA'S FIRST AND ONLY UNIVERSITY TO GET ACCREDITED BY ABET, USA

FOR ELECTRONICS & COMMUNICATION ENGINEERING PROGRAM

Moment of Pride

It is indeed a moment of pride for SRM University and its faculty, students, parents and alumni, to become the first University to get an ABET (Accreditation Board for Engineering and Technology) accreditation for B. Tech, Electronics & Communication Engineering.

ABET is the most respected accreditation organization in the U.S for over 75 years. The programs of MIT, Stanford and Carnegie Mellon are ABET accredited.

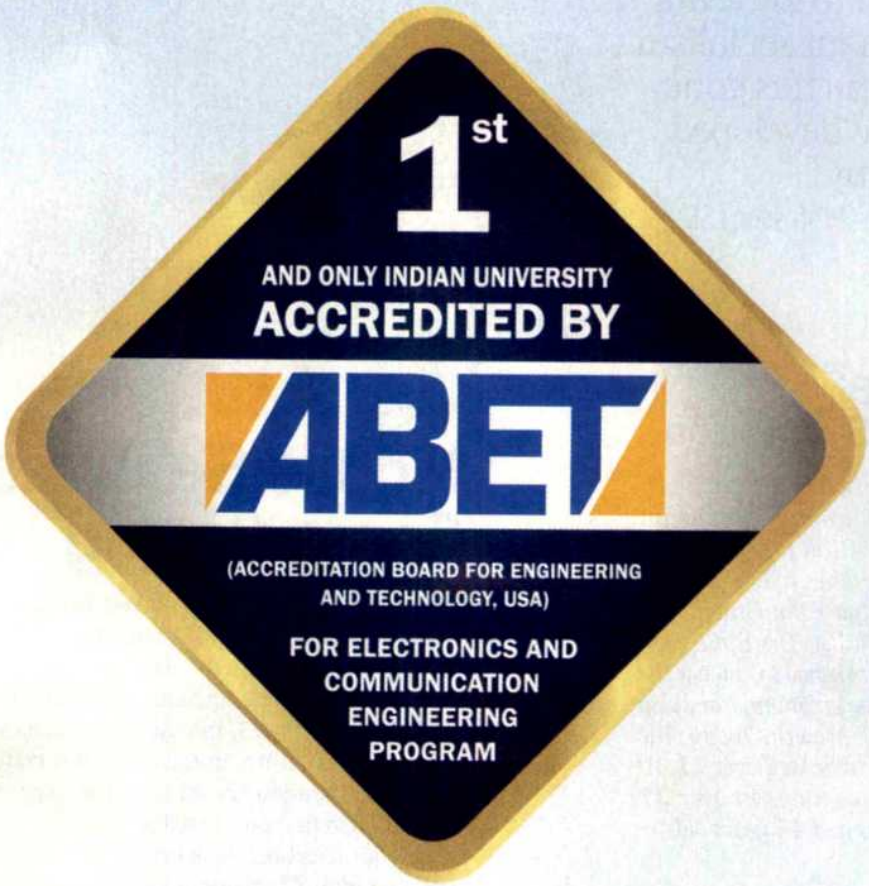
SRM University, in recognition of its excellence in higher education and research, was ranked India's No.1 Multiple Streams University (Engineering and Medicine) in 2009*, joining the league of IITs, NITs and AIMS.

And now, SRM has joined the league of MIT, Stanford and Carnegie Mellon after having secured the prestigious ABET accreditation in 2010.

SETTING TRENDS | INVENTING THE FUTURE

For more details please visit www.abet.org and www.srmuniv.ac.in
*The Education Times (The Times of India) – Gfk Mode Study

TCC | tccgroup.net



SRM
UNIVERSITY
(Under section 3 of UGC Act 1956)

QUOTE OF THE YEAR

"China is so far ahead of India. There is no comparison. We have wasted 15 to 20 years talking about socialism, while China has gone ahead and developed its economy."

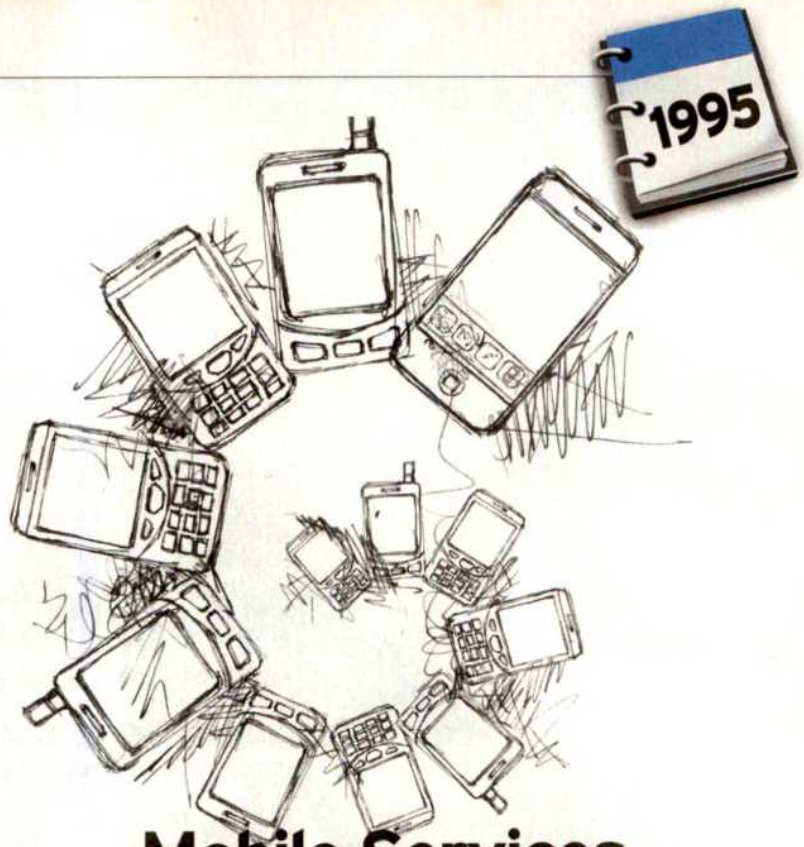
Meghnad Desai, Professor, LSE

Birla Succession

Barely 28 years old, Kumar Mangalam Birla found himself at the helm of the ₹7,000-crore Aditya Birla Group after the demise of his father. The Birla scion had his task cut out. He had to manage the group's restructuring programme and also sustain its pace of growth. Today, the group is estimated to be well over ₹1.30 lakh crore with operations in over 27 countries. And he is just 43 years old.

Internet in India

Videsh Sanchar Nigam Ltd had an Independence Day gift for the Indian public in 1995: Internet connectivity. The company, which handled India's overseas communications, announced the launch of the Gateway Internet Access Service. The service was initially made available in the four metros. People could access the Internet through the Department of Telecommunications' I-NET via leased lines or dial-up facilities. The pricing for individuals was ₹5,000 for 250 hours, while for corporates it was ₹15,000.



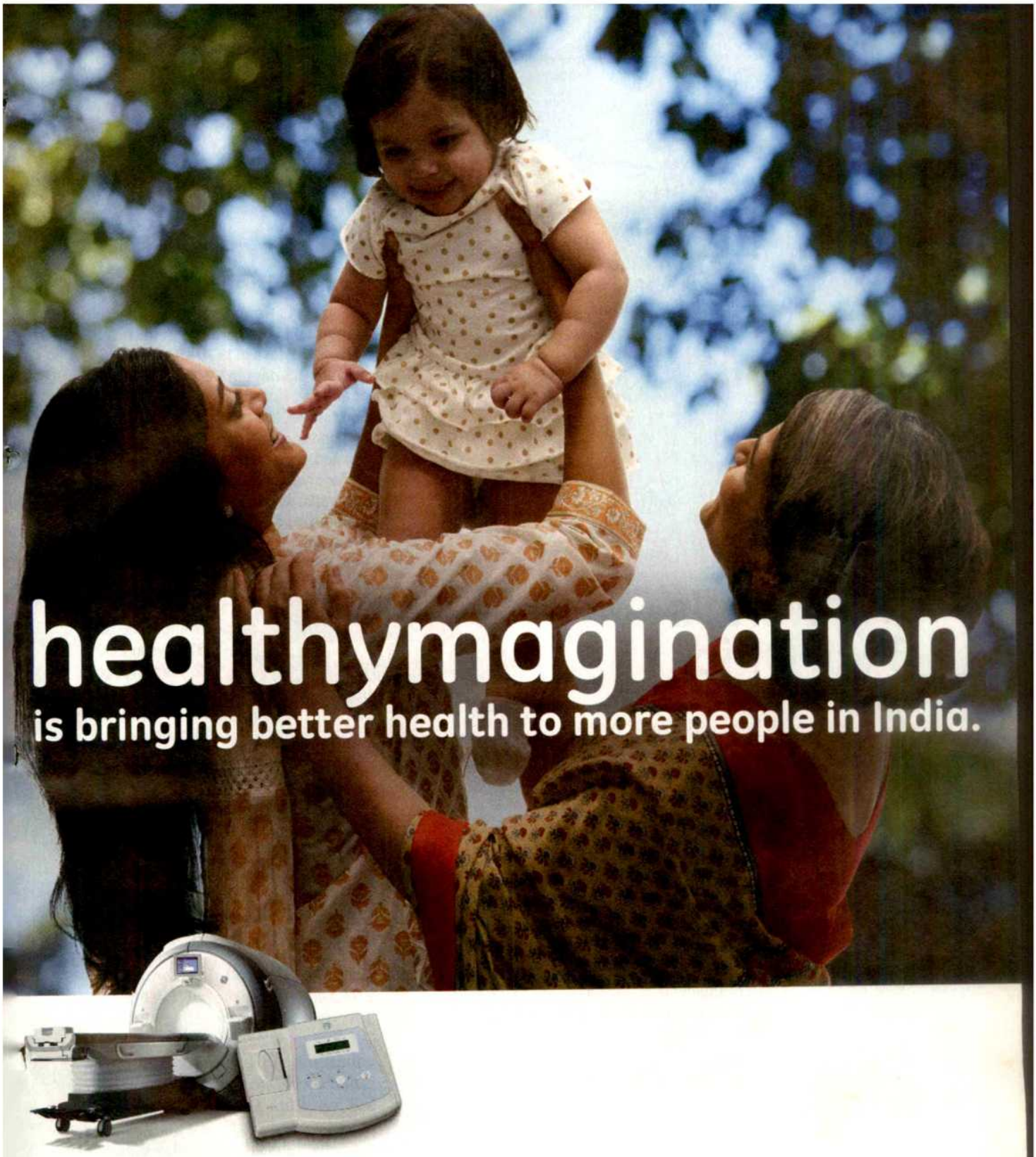
Mobile Services Come Calling

Two politicians — West Bengal Chief Minister Jyoti Basu and Union Communications Minister Sukh Ram — were the first official users of cellphones in India. Basu called up Ram on July 31, 1995, to inaugurate India's first cellular service (Modi Telstra, in Calcutta). But neither the politicians nor the industry foresaw the telecommunication revolution in the coming years.

Mobile telephony took time to spread in India because of high tariffs (₹16 a minute, with even incoming calls being charged), and it took five years for the mobile subscriber base to reach five million. Intense competition among mobile operators gradually drove down rates which led to the boom. In the next 10 years, the mobile subscriber base shot up to 687.71 million.

Today, on an average, 17 million cellular connections are being added every month and over 200 million every year. The cellular subscriber base is projected to touch 1.159 billion in 2013 and by then some expect India to overtake China and become the world's largest provider of wireless connections. Voice continues to dominate revenues, although text messages, Internet access, e-mail services, and access to social networking sites such as Facebook have also become popular. This trend is only set to accelerate with the rollout of 3G services.

DID YOU KNOW?
NSE overtook BSE as India's largest stock exchange in terms of volume of trade in October 1995.



From ECG machines small enough to fit into a backpack, to MRI machines that can help more doctors detect problems than ever before, at GE we're using what we call "healthymagination" to create a wealth of technologies, here and now.

For more, go to **healthymagination.com**

imagination at work

The World's Back Office

Back in 1994, when Gurgaon was just a sleepy hamlet in Haryana, American Express set up a processing centre in India to service its Asia-Pacific centres. Around the same time, behemoth General Electric (GE) was looking at offshoring back-office work to India. In 1996, Anderson Consulting, which had been mandated to explore the market for third-party vendors, recommended that GE go captive instead. GE Capital International Services (GECIS) formally started its operations in Gurgaon in 1997. British Airways also set up World Network Services to handle back end jobs like data entry in June 1996.

These were the baby steps of the BPO industry. Today, GECIS has been rechristened Genpact, employs over 42,500 people and has revenues in excess of a billion dollars. Raman Roy, a former American Express and GECIS veteran, went on to found Spectramind, which was acquired by Wipro in 2002. In 2009, the BPO industry clocked revenues of $14.7 billion and employed close to a million people.

Ports Opened Up

Indian ports were a mess. Average ship turnaround time across ports was as high as 8.1 days in 1990-91, which worsened to 8.5 days in 1995-96. In 1996, against an installed capacity of 177 million tonnes, Indian ports handled 215.3 million tonnes. Then the government opened up the sector in 1996. The first major investment came from P&O Australia, which invested $250 million to set up two container berths at JNPT in Mumbai. By 2007-08, Indian ports were handling 723 million tonnes. The turnaround time of major Indian ports improved to 3.87 days in 2008-09, even though it is still well below Hong Kong's 10 hours.

DID YOU KNOW?

P. Chidambaram's 1996-97 Budget introduced Minimum Alternate Tax in India.

Tendulkar's Million-dollar Baby

Kapil's Devils won the World Cup in 1983 and the team got £20,000 as prize money. Thirteen years later, Sachin Tendulkar raised the bar for cricket remuneration in India when he signed a marketing deal with WorldTel for $7.5 million for a five-year period. It was Indian cricket's first million-dollar deal. Five years later, Tendulkar signed on the dotted line again with WorldTel, this time for about $17 million.

QUOTE OF THE YEAR

"You've got to create heroes and you've got to pay them."

Mark Mascarenhas, President, WorldTel, on the multimillion deal with Sachin Tendulkar

SBI for SME

State Bank of India
With you - all the way

Pure Banking. Nothing else.

Hassle-Free Scheme

SBI SME CAR LOAN

Special rates of interest for new cars ranging from 9% onwards valid till 31st March, 2011

Unlock the door to comfort and luxury

- Loan scheme for SBI SME clients, their family members and SBI MCG units and for other SME units as well
- Available in the name of unit or individual
- Also available for used cars
- Loan for purchase of Cars, Jeeps, Multiutility Vehicles (MUVs), Sports Utility Vehicles (SUVs) etc.

THE BANKER TO EVERY INDIAN

24x7 Helpline: 1800 11 22 11 or 1800 4253 800 (Toll free from BSNL/MTNL landline/ mobile Nos.) or Visit www.sbi.co.in or Email: contactcentre@sbi.co.in
For queries relating to the schemes of Ministry of MSME please call Udyami Helpline (Toll Free): 1800 180 6763 or 1800 180 MSME

Coal Reforms

After a lot of dithering, the government finally opened up the country's coal sector. The government feared that demand would soon outstrip supply if the sector was not opened up. It allowed the private sector into coal mining — but only for captive use. It promised to allow the private sector into commercial mining as well but never implemented it. It is estimated that by 2011-12 the demand for coal will be 730 million tonnes and domestic production will be 520 million tonnes, which will leave a shortfall of 210 million tonnes.

QUOTE OF THE YEAR

Not every generation – or its members – of a business family can become top-notch businessmen."

Lalit Mohan Thapar, Chairman, L M Thapar Group

Level Playing Field

Liberalisation of the Indian economy enabled corporates to grow rapidly through mergers and acquisitions (M&A). Market regulator SEBI soon unveiled a Takeover Code setting the basic rules for M&As in the country. It stipulated that any company acquiring more than 15 per cent of the voting rights of another company should acquire at least 20 per cent of shares from other shareholders through an open offer. It also laid down the ground rules for proper disclosures to investors.

DID YOU KNOW?

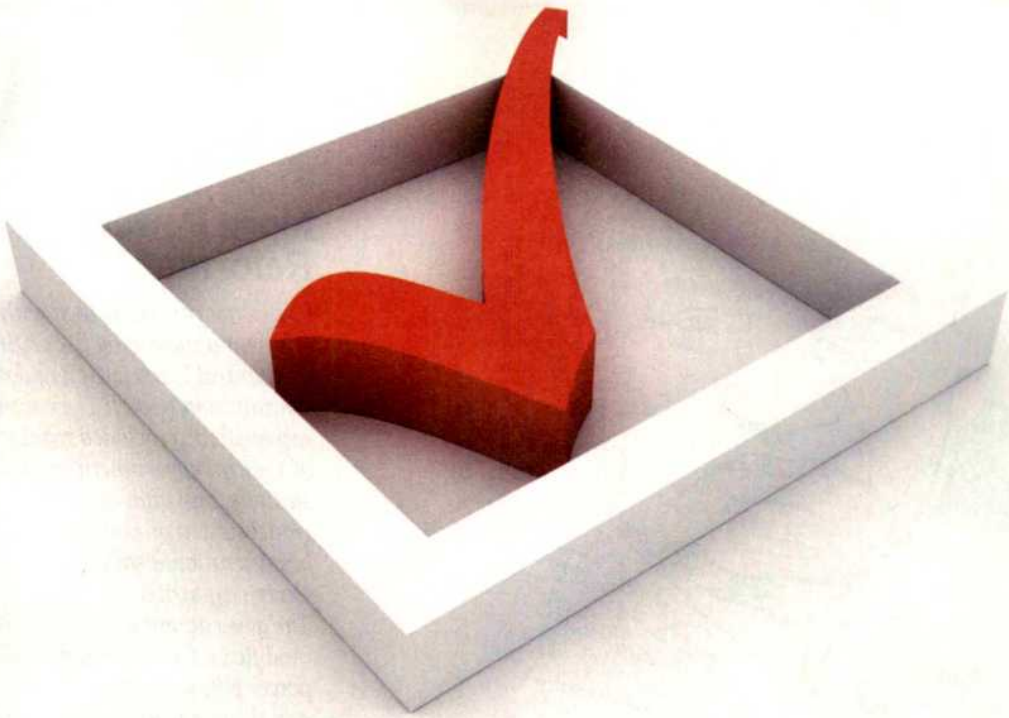
Karnataka became the first state in the country to come out with its own IT policy. Its IT exports have since jumped from ₹900 crore to ₹74,929 crore now.

1997

Dream Budget

A weak United Front government was not expected to bite the bullet and push through bold policy reforms. But P. Chidambaram unleashed high octane tax reforms in his "dream" Budget for the year 1997-98. Chidambaram was a votary of the Laffer curve principle — lower tax rates would boost compliance, thus ensuring higher tax collections. He slashed maximum marginal income tax rate for individuals from 40 per cent to 30 per cent, and cut the income tax rate for domestic companies to 35 per cent from the earlier 40 per cent. Peak customs duty was reduced from 50 per cent to 40 per cent, and the excise duty structure was simplified. Individual investors were no longer required to pay dividend tax.

Chidambaram also announced a Voluntary Disclosure of Income Scheme to recover black money and introduced a new criterion to widen the tax net. If an individual satisfied any two of the following four criteria — ownership of a four-wheeler, occupation of an immovable property, ownership of a telephone, or foreign travel in the previous year — he/she had to voluntarily file a tax return. With falling tax rates, collections as a proportion of GDP have gone up from a low level of 8.2 per cent in 1998-99 to over 10 per cent now.



Kyocera - Reliability rules.

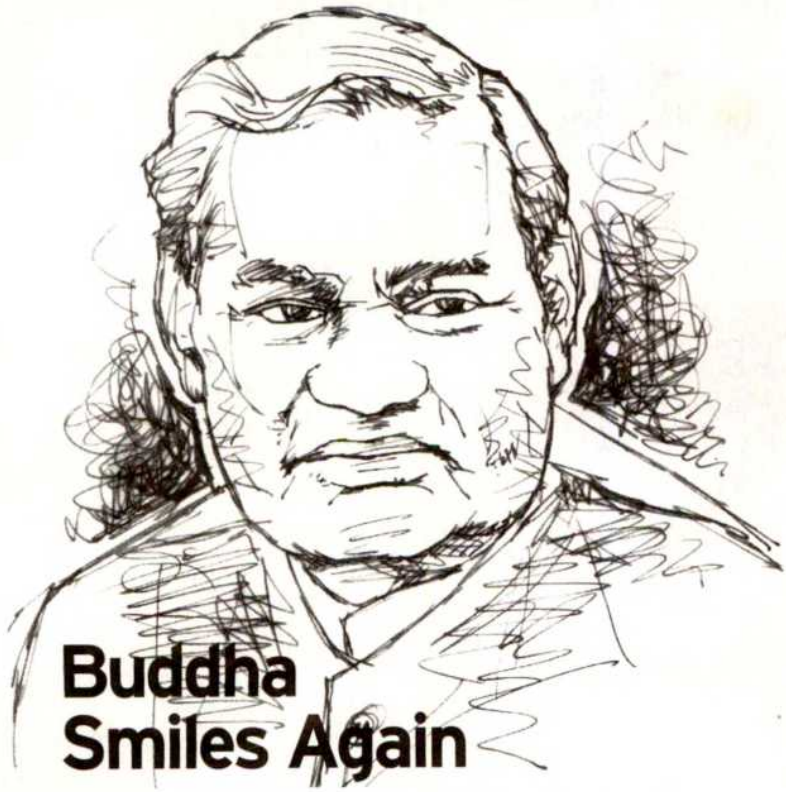
TASKalfa

The MFP that provides exceptional efficiency and reliability due to its long-life components. The flexible all-rounder and perfect partner for volume output with hardly any breakdowns. It provides all the functions and finishing options you need with its versatility in printing, copying and scanning.

PRINT • COPY • SCAN • FAX

KYOCERA MITA India Pvt Ltd
First Floor, Orchid Centre, Sector-53,
Golf Course Road, Gurgaon (Haryana).
Tel: +91-124-4671000 Fax: +91-124-4671001
E-mail: dilip.kanth@kyoceramita.co.in
• **Mumbai:** 022-61299292 • **Pune:** 020-66440909
• **Ahmedabad:** 079-30006864 • **Lucknow:** 09935085550

KYOCERA



Buddha Smiles Again

At 3.45 p.m. on May 11, 1998, India stunned the world by testing three nuclear devices at Pokhran in Rajasthan. A few hours later, Prime Minister Atal Bihari Vajpayee announced the tests to the world, declaring India to be a nuclear weapon state. On May 13, two more tests followed. The international community reacted strongly. A deeply-disappointed US President Bill Clinton called the tests "unjustified" and slapped economic sanctions on India. The sanctions ended all US assistance to India, barred export of defence equipment and technology, ended all US credit and credit guarantees to India and also required the US to oppose lending by international financial institutions to India.The wheel came full circle, though, when Clinton's successor, George W. Bush, not only waived the sanctions in 2001 but also went on to negotiate and sign a US-India Civil Nuclear Co-operation agreement in 2005 with Prime Minister Manmohan Singh. The deal promises full civil nuclear co-operation with India.

More Power Reforms

Power reforms continued with the government announcing the setting up of the Central Electricity Regulatory Commission (CERC). The commission's responsibility included regulating tariffs of Central government-owned power stations, and inter-state transmission of electricity besides rationalisation of electricity tariffs. The government also modified its 1995 mega power policy in a bid to give it more teeth and add 15,000 to 20,000 MW of capacity.

India Inc's Quality Rush

Sundaram Clayton, a TVS Group company, became the first Indian company to win the Deming Prize for total quality management. It was only the fourth non-Japanese company and the second Asian company outside Japan to bag this award, considered the equivalent of the Nobel prize for quality. It was contagious. Soon, many Indian companies began to set high quality standards. Today, around 15 Indian companies have won the Deming Prize highlighting India Inc's move up the quality chain.

DID YOU KNOW?

Tata Engineering and Locomotive Company, or Telco (now Tata Motors), launched the Tata Indica, India's first fully-indigenous passenger car in 1998.

QUOTE OF THE YEAR

"Swadeshi, globaliser and liberaliser are not contradictions in terms. I personally think that globalisation is the best way of being swadeshi." Yashwant Sinha, Union Finance Minister

A minute away from the Monorail, Lower Parel and Currey Road Station. No more late marks.

MARATHON
Redefining Real Estate
Redefining Infrastructure

Marathon Futurex is at the convergence point of the Sea Link, major train stations and the future monorail. So employees find the commute to be a breeze. South Mumbai is 15 minutes away. Star hotels, malls, multiplexes, etc are nearby too. This is a landmark with design, aesthetics, connectivity, features and amenities that India is yet to experience.

38 floors • 30K-65K sq ft floor plates • 3,50,000 sq ft space in Phase I • Over 15 Sky Gardens
• 22 high-speed lifts • Multi-level parking for over 1000 cars • Building Management System

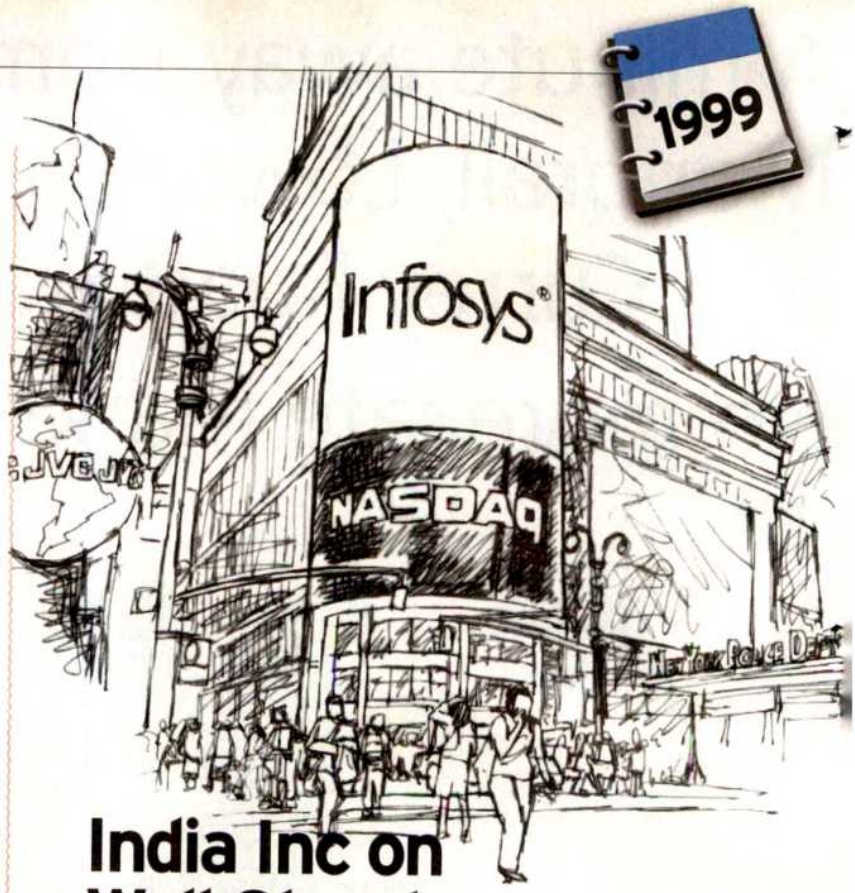
PHASE I READY FOR FIT-OUTS | To view the sample office with Sky Garden, call 6158 8484, 93228 88519, 98331 08635 or sms FUTUREX to 56767.

SITE & MARKETING OFFICE: Marathon Futurex, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel, Mumbai 13.

MARATHON FUTUREX
LOWER PAREL

www.marathonfuturex.in

Image used for artistic representation only.



The Telecom Map

The New Telecom Policy 1999 laid out a clear road map, opening up national long distance and international long distance telephony to the private sector. It also corporatised the Department of Telecommunications (DoT), among other things. It allowed the existing players to shift from a fixed fee regime to one of revenue sharing. The policy also set a very modest target of achieving a teledensity of 15 per cent by 2010. India's teledensity as of September 2010 was 61 per cent.

India Inc on Wall Street

Back in 1999, Infosys Technologies had revenues of just $100 million and employed about 3,700 people. In March that year, it became the first Indian company to be listed on an American stock exchange when it debuted on the Nasdaq, under the symbol INFY. Infosys raised $70.38 million through the sale of 2.07 million American Depository Shares (ADS). This set the pace for listings by other Indian companies on American exchanges.

Rediff.com followed INFY on the Nasdaq. Over the next two years, more than half a dozen Indian companies such as Silverline Technologies, ICICI Bank, VSNL, Wipro, Dr. Reddy's, Satyam and HDFC listed on the New York Stock Exchange (NYSE). The Indian honeymoon with Wall Street had just begun. In 2006, Infosys became the first company to figure in the Nasdaq-100 Index, where it sits alongside the likes of Dell, Microsoft, and Intel. There have been setbacks, though. After the Satyam scandal, Satyam's new management delisted the company from the NYSE.

Insurance Opened Up

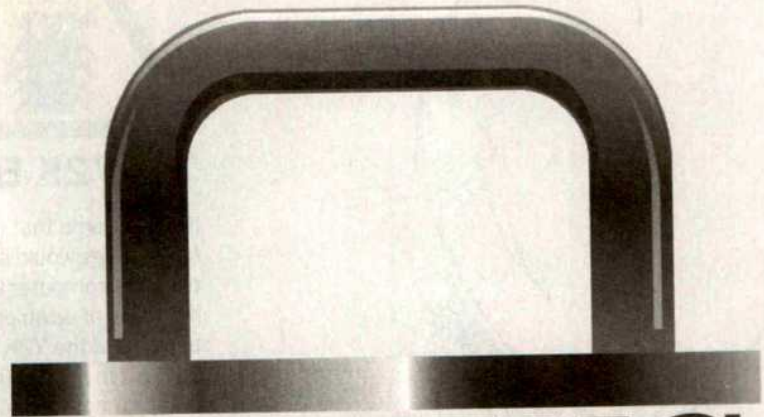
In 1994, a committee headed by R.N. Malhotra, former Governor of Reserve Bank of India, had recommended that the insurance sector be opened up for private players and foreign players with some restrictions. The report gathered dust for five years till the government moved in to set up the Insurance Regulatory and Development Authority (IRDA) in 1999. In 2000, IRDA opened up the sector. Foreign companies were allowed, too, but with a 26 per cent stake cap. Today, there are 23 insurers in the life insurance segment and 24 in the general insurance segment.

QUOTE OF THE YEAR

Our decline was because the customer changed, the world changed — and we did not realise this. By the time we did, in 1995, it was too late." Rajiv Bajaj, on Bajaj Auto's struggle in the face of increasing competition

Canon

Delighting You Always



MAKING SURE THAT CONFIDENTIAL DOCUMENTS STAY THAT WAY.

With Canon's Managed Document Services you can secure your prints and keep a track of them. These services ensure that only the employee who has actioned the prints has access to them. It's a printing system that responds intelligently to your company's needs. Canon Managed Document Services offers other innovative functions that help generate the necessary audit trails for accountability on the scanning paths of all confidential documents. Canon Managed Document Services is your company's way to efficient cost cutting, increased document security and a greener office.

SMS 'Canon BT' to 58888

Any click on Canon Managed Document Services , we call it "Effi Click"

To make every click in your organization an **"Effi Click"**, sign up for Canon's Managed Document Services program.

Canon MDS
Managed Document Services

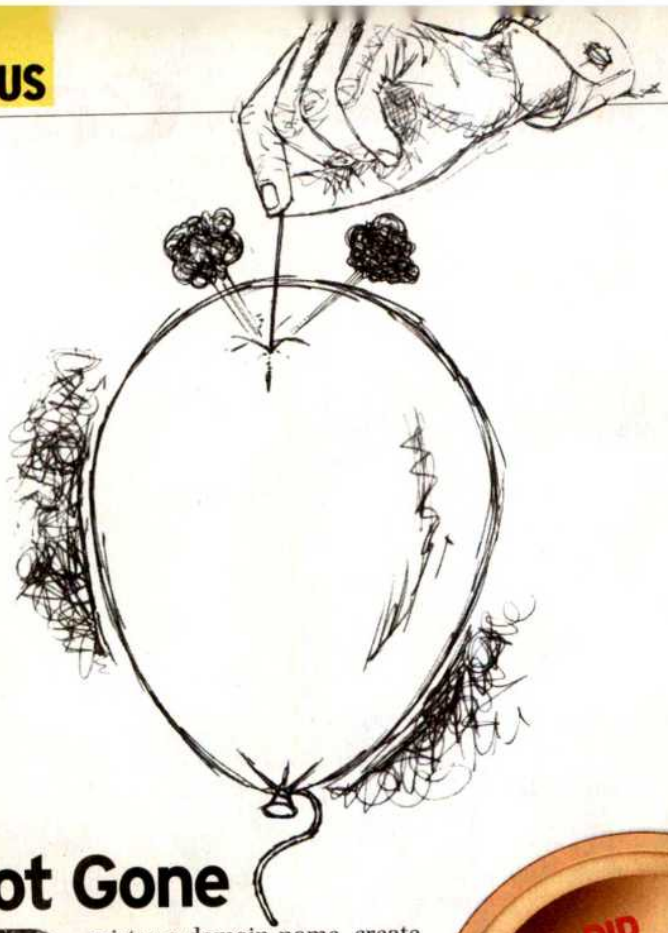
eCopy™

uniFLOW

efficlick

Business can be simple

Call CANON: 39010101 / 1800 180 3366 or visit www.canon.co.in, Corporate Office: Canon India Pvt. Ltd., Second Floor, Tower A & B, Cyber Greens, DLF Phase-III, Gurgaon-122 002



Dot Gone

Register a domain name, create content, advertise heavily and get traffic to the portals going. Don't worry about the revenue models or even losses. That was the thinking of most dotcom promoters back in 2000. Take Home Trade, for example. The company signed on Hrithik Roshan, Shah Rukh Khan and Sachin Tendulkar as brand ambassadors and launched with a ₹65-crore ad blitzkrieg. Or indya.com, which took out a full-page advertisement on the front page of a leading newspaper for an astronomical sum.

Domain name registration became a big business as dotcoms of all hues mushroomed. By March 2000, thanks in part to six consecutive rate hikes by the US Federal Reserve since 1999, the dotcom bubble burst in the US. A few months later, the mayhem began in India. Dotcoms like go41.com, ideasnyou.com, hometrade.com, skumars.com, indya.com, arzoo.com, jaldi.com and purpleyogi.com went belly up. Companies laid off workers in droves. The promoters of indya.com sold their stake to Rupert Murdoch for over $50 million in mid-2001.

DID YOU KNOW?

Taking a leaf out of China's book, India introduced its maiden Special Economic Zone (SEZ) policy in March 2000. Today, 579 SEZs have been approved, but only 122 are operational.

The Y2K Bug Fix

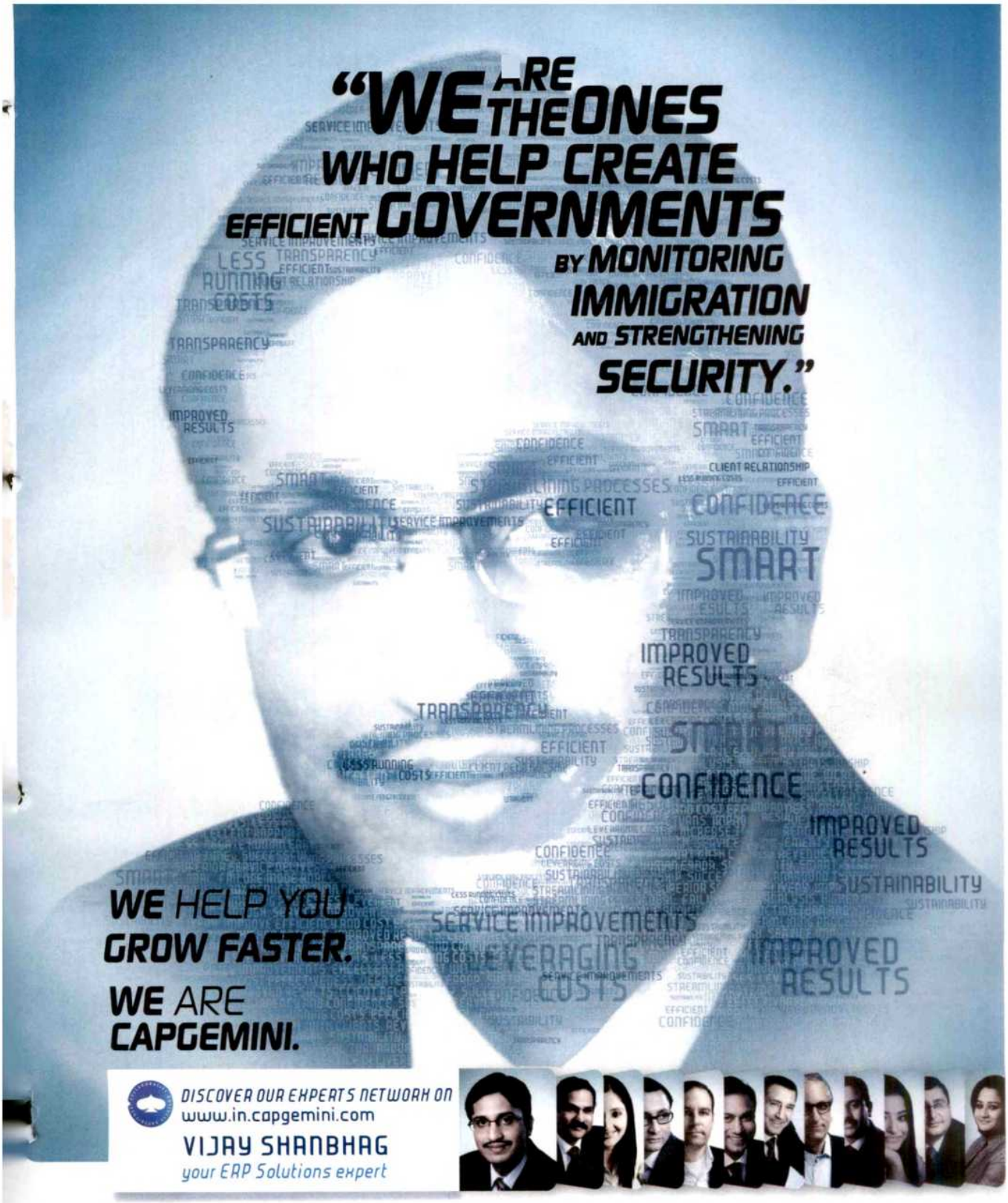
It was a bomb that never went off. Mainframes would shut down and your personal computer would conk out at the crack of dawn on January 1, 2000, because of the Y2K or millennium bug. So went the scare. In the early days of the computer, programmers had coded years using just the last two digits to save space, and bits of these codes had passed into later programming. So, the argument went, when computer clocks entered the year 2000, the machines would read it as 00 and even interpret it as 1900. Thousands of Indian programmers went abroad to fix the bug. On Y2K-day, nothing happened and some called it the "hoax of the century".

Tata's Tetley Buyout

It was India's first leveraged buyout. Tetley, the British company that had invented the tea bag, was twice as big as Tata Tea. But that did not stop Tata Tea from making what was then the largest cross-border acquisition by an Indian company in February 2000. The cost: £271 million ($431 million).

QUOTE OF THE YEAR

"It is a bold move and I hope that other Indian corporates will follow." Ratan Tata, on the leveraged buyout of Tetley by Tata Tea



t Capgemini, we recognize that it is our people whose performance and capabilities help deliver the right business solutions. rom making governments more efficient to customizing ERP solutions for manufacturing, and from streamlining the rocesses for financial institutions to developing smart energy solutions, we work closely with our clients to help them grow ster. But more importantly, we achieve this because we understand that what drives good business results, is good people.

People matter, results count.

Capgemini
CONSULTING. TECHNOLOGY. OUTSOURCING

At Capgemini, we recognize that it is our people whose performance and capabilities help deliver the right business solution From making governments more efficient to customizing ERP solutions for manufacturing, and from streamlining th processes for financial institutions to developing smart energy solutions, we work closely with our clients to help them gro faster. But more importantly, we achieve this because we understand that what drives good business results, is good peopl

People matter, results count.

Capgemini
CONSULTING.TECHNOLOGY.OUTSOURCIN

Fast-tracking Disinvestment

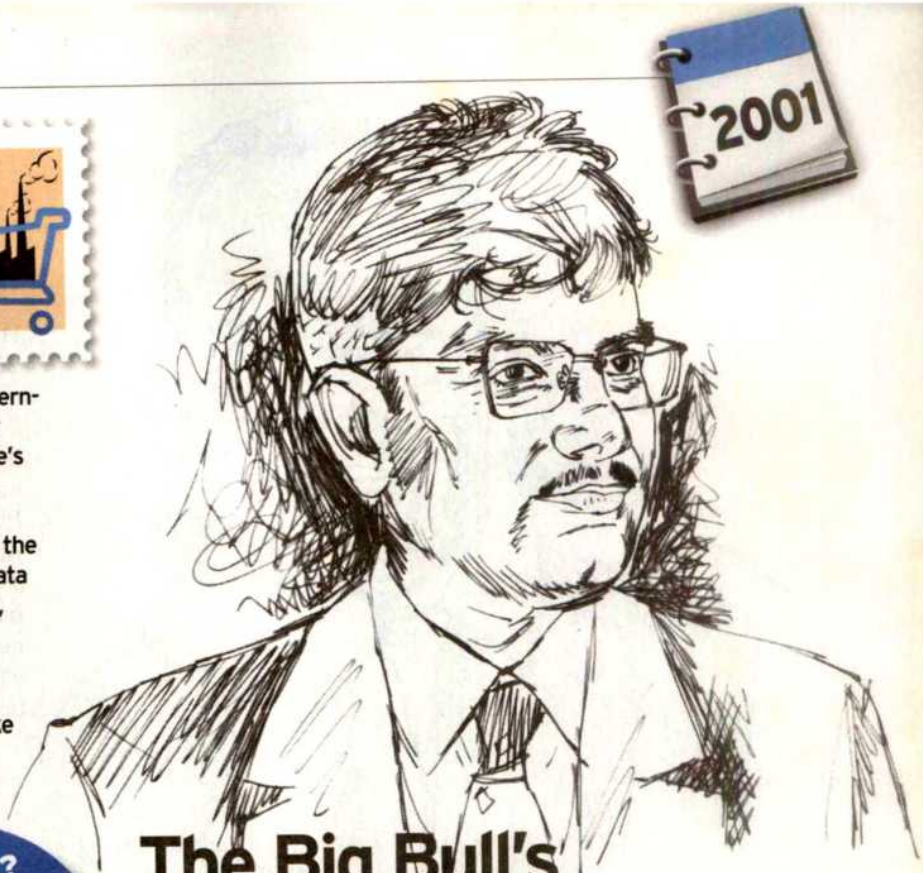
It was the first sale of a controlling government stake in a big-ticket public sector undertaking. When Atal Bihari Vajpayee's government sold a 51 per cent stake in Bharat Aluminium Co Ltd to Sterlite Industries for ₹551.5 crore in February, the Opposition accused the Bharatiya Janata Party of selling out to private interests, and worker unions protested. But the government stood its ground.

The government raised another ₹207 crore by selling a controlling stake in two other PSUs, CMC Ltd, and Hindustan Teleprinters. It also decided to sell a few other large PSUs such as IBP, VSNL, and IPCL. The pace of disinvestment, though, has slowed in recent years.

DID YOU KNOW?
The acronym BRIC was coined by Jim O'Neill, Chief Economist at Goldman Sachs, in 2001 to describe the expanding footprint of emerging economies – Brazil, Russia, India, and China.

UTI Facelift

India's largest mutual fund, the Unit Trust of India, got a facelift in 2001 after a crisis in its flagship scheme — the US-64 — which forced it to stop repurchase and sale of units. An expert committee later disclosed that its portfolio contained a lot of lemons. UTI subsequently agreed that US-64 will fully comply with SEBI regulations by December 31, 2002. It also agreed to set up an asset management company and revamped the UTI board to induct more professionals. All guaranteed return schemes were gradually phased out.



The Big Bull's Nemesis

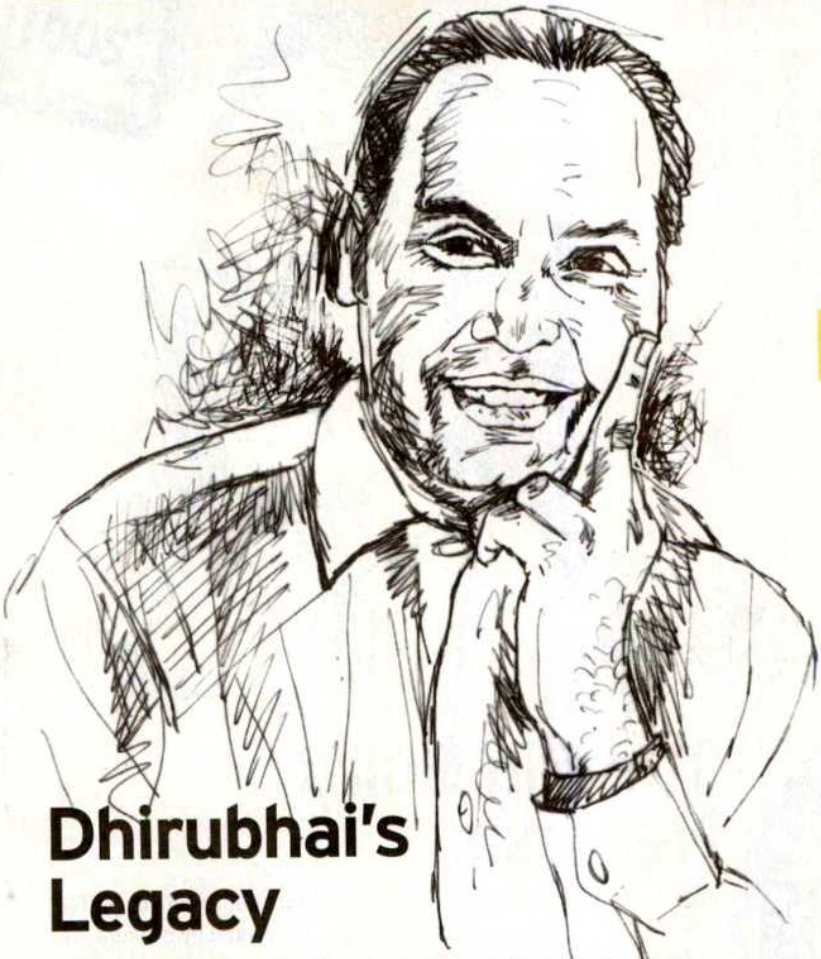
Ketan Parekh was the Pied Piper of Dalal Street. The man with the Midas touch, revered by brokers and investors alike. At the height of the stock market bull run, Parekh's net worth was estimated to be anything between ₹3,000 crore and ₹7,000 crore. But the market meltdown in 2001, triggered by the savage global bear hammering of ICE (infotech, communications and entertainment) stocks, took the wind out of his sails. With his favourite K-10 stocks taking a pounding, Parekh was trapped, triggering off a payment crisis on the bourses. Parekh also defaulted on his payment obligations to banks and was subsequently arrested.

A probe by market regulator SEBI exposed Parekh's underhand dealings with promoters and banks. Parekh borrowed from various companies and banks — who allowed him to borrow funds without proper collateral and security — to drive up stock prices. In a throwback to the Harshad Mehta scam, the broker-banker-promoter nexus was once again the main reason for the upheaval in the Indian stock markets.

SEBI cracked down despite stiff opposition from the broker community. It banned the carry-forward system, badla, introduced rolling settlement in the cash market and a separate derivatives market. The reforms have, undoubtedly, made the markets less opaque and safer for retail investors.

QUOTE OF THE YEAR

"We realised that traditional businesses have limited growth opportunities in the future. A conscious decision was made to invest in knowledge-based high-growth sectors." Kumar Mangalam Birla, Chairman, A V Birla Group



Dhirubhai's Legacy

It was a rags-to-riches story that captivated India. From a small trader of polyester yarn in the 1960s, who started the business with just ₹15,000, to creating a petrochemicals giant, it was a meteoric rise. Indeed, the passing away of the doyen of the ₹75,000-crore Reliance Group, who also pioneered India's equity cult in 2002, marked the end of an era. Dhirubhai, though, courted controversy during his lifetime for his alleged ability to manage the political environment.

There seemed to be a smooth transition at the top in the group with the baton being passed on to the Ambani offsprings, Mukesh and Anil, and the group continued to power ahead. Reliance Industries Ltd (RIL) became the first Indian private sector company to record a net profit of over ₹1,000 crore in a single quarter with the merger of Reliance Petroleum with RIL — a step designed to take advantage of the expected deregulation in the oil sector. The merger created India's first *Fortune* 500 private company, with businesses spanning oil exploration, refining, petrochemicals and textiles. RIL also acquired the government's 26 per cent in Indian Petrochemicals Corporation Ltd that year.

Nobody at this stage could have predicted the bitter falling out between the Ambani brothers in 2004.

MNCs delist

With the equity markets languishing in 2002, the mid- and small-sized multinational companies or MNCs flooded the market with exit offers through buybacks and open offers to cash in on the relative cheap valuations. Philips, AstraZeneca and Carrier Aircon, among others, moved closer to delisting. The fund-raising plans of India Inc., though, were hit. The year was marked by only six initial public offerings or IPOs and the fund mobilisation was a meagre ₹1,981 crore.

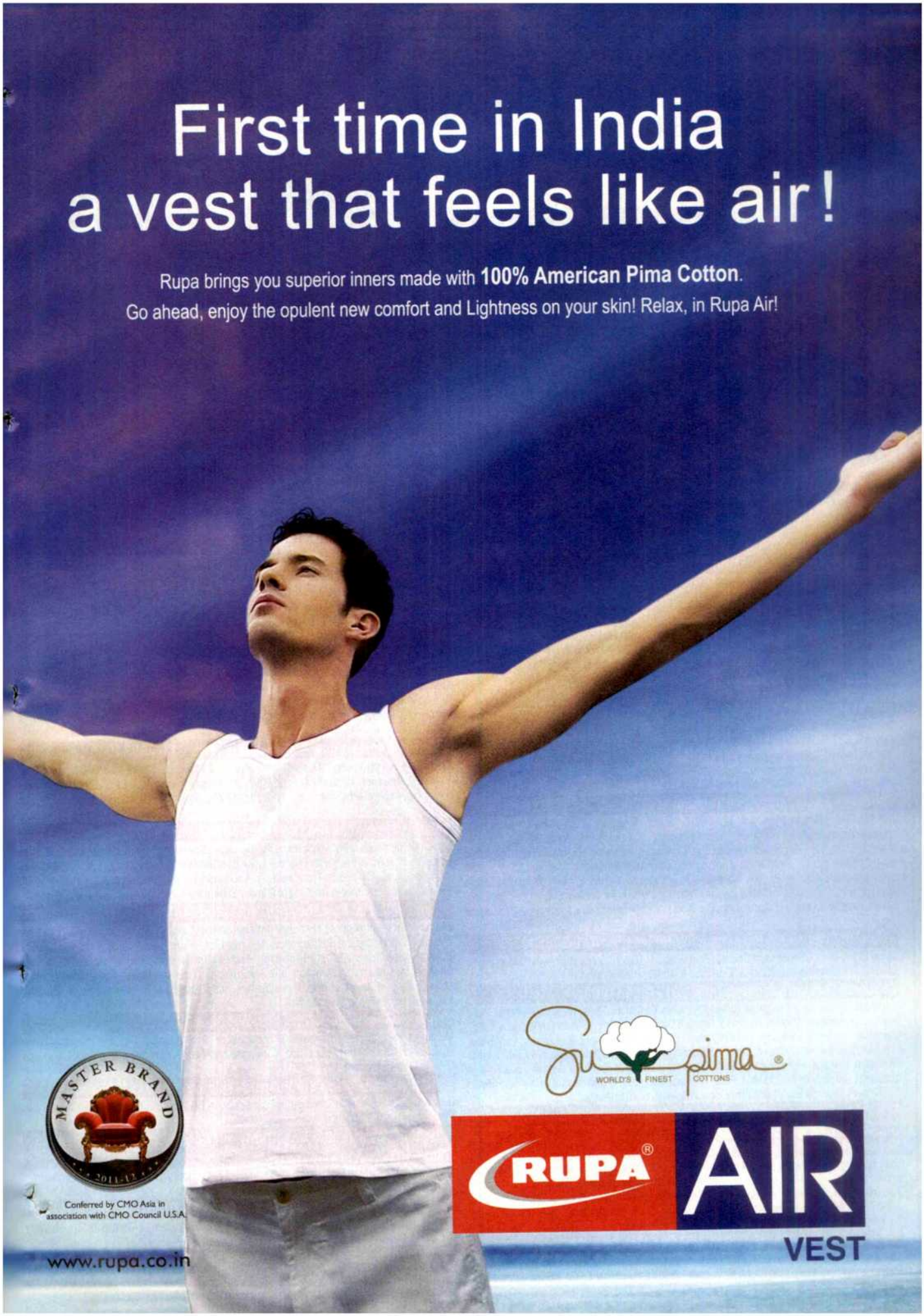
QUOTE OF THE YEAR

"Commercial organisations are economic organs of the society. You have to subordinate shareholder value to societal values."

Y.C. Deveshwar, Chairman, ITC

The BPO Rush

Indian software services giants scaled up their business process outsourcing (BPO) operations aggressively to capture a bigger share of the global BPO market. Wipro acquired Spectramind in an all-cash, ₹407 crore deal, while Infosys Technologies launched its BPO arm Progeon (now Infosys BPO) as a 74:26 joint venture with Citibank Investments (Infosys bought out the Citibank stake in 2006). HCL Tech BPO acquired the Belfast-based Apollo Contact Centre for $11.5 million.


First time in India
a vest that feels like air!
Rupa brings you superior inners made with 100% American Pima Cotton.
Go ahead, enjoy the opulent new comfort and Lightness on your skin! Relax, in Rupa Air!
Supima
WORLD'S FINEST COTTONS
MASTER BRAND
Conferred by CMO Asia in association with CMO Council U.S.A.
RUPA
AIR
VEST
www.rupa.co.in

ignou
THE PEOPLE'S
UNIVERSITY

Indira Gandhi Nat

Maidan Garhi, New Delhi-1

Invites Applications for

Master's Degree, Bachelor's Degree, Post Graduate Diplomas, Diplomas, Post Graduate Certificates & Certificate Programmes Round the year under walk in admission for

JANUARY 2011 SESSION

School of Agriculture (Ph.: 011-29533167)

Post Graduate Diploma in Plantation Management, Food Safety & Quality Management (online also), Diploma in Value added Products from Fruits and Vegetables, Diploma in Production of Value Added Products from Cereals, Pulses and Oilseeds, Meat Technology, Dairy Technology, Watershed Management, Fish Products Technology, Post Graduate Certificate in Agriculture Policy (offered in Online also), Certificate in Sericulture, Organic Farming, Water Harvesting and Management, Poultry Farming, Beekeeping, Certificate Programme on Integraged Pest Management Technology in Potato Cultivation, Awareness Programme on Value Added Products from Fruits & Vegetables, Dairy Farming for Rural Farmers, Short Term Training Programme for Farmers of Betel-Vine

School of Computer & Information Sciences (Ph.: 011-29533436)

Master of Computer Applications, Bachelor of Computer Applications, Certificate in Information Technology

School of Continuing Education (Ph.: 011-29536347)

Master of Arts (Rural Development), Master of Science Dietetics and Food Services Management, Post Graduate Diploma in Rural Development Diploma in Early Childhood Care and Education, Nutrition & Health Education, Certificate in Food & Nutrition, Nutrition and Child Care, Rural Development, Food Safety

School of Education (Ph.: 011-29535519)

Master of Arts (Education), Master of Education, Bachelor of Education (Through Entrance Test), Post Graduate Diploma in Higher Education, Post Graduate Diploma in Educational Technology, School Leadership and Management, Educational Management and Administration, Diploma in Primary Education (Offered only in North-East States), Certificate in Primary Education (offered only in North-East States), Elementary Teacher Education (for Tripura State), Certificate in Guidance

School of Engineering and Technology (Ph.: 011-29532863)

B.Tech Civil (Construction Management), (Water Resource Engineering), Mechanical Engineering (Computer Integrated Manufacturing), Advanced Diploma in Construction Management , Water Resource Engineering, Computer Integrated Manufacturing, Diploma in Civil Engineering(G), Mechanical Engineering, Computer Integrated Manufacturing, Post Graduate Certificate in Project Management, Advanced Certificate in Power Distribution Management, Certificate in Craft & Design (Pottery), Shoe Upper Cutting, Shoe Upper Stitching, Shoe Lasting and Finishing, Competency Certificate in Power Distribution, Motorcycle Service and Repair

School of Extension & Development Studies (Ph.: 011-29534373)

MA in Extension & Development Studies, Post Graduate Diploma in Extension and Development Studies, Post Graduate Certificate in Extension & Development Studies

School of Foreign Languages (Ph.: 011-29534403)

Certificate in Japanese Language (offered only in Bangalore, Delhi, Kolkatta, Chennai, Pune Imphal, Hyderabad, Kochi & Varanasi), German Language (offered only in Tamilnadu & Kerla), Certificate in French Language (offered only in Delhi, Lucknow, Agra, Kurushetra, Ludhiyana, Amritsar, Hoshiarpur, Jodhpur, Jaipur, Sikkar, Shimla, Gaya, Bhubaneshwar, Shillong, Gwalior, Guwahati, Kalkatta, Pune, Hyderabad & Nagpur), Diploma in Teaching German as a Foreign Lanugage (offered only in Mumbai, Pune, Chennai, Bangalore, Kolkatta, and Delhi), Certificate in Chinese Language & Culture (Offered only in Delhi) Arabic Language

School of Gender and Development Studies (Ph.: 011-29532965)

Master in Gender & Development Studies, Diploma in Women's Empowerment & Development

School of Health Sciences (Ph.: 011-29533078)

B.Sc.Nursing (Post Basic), Post Graduate Diploma, Hospital & Health Management, Geriatric Medicine, Acupuncture (online), District Health Management, Diploma in Nursing Administration, Certificate in Health Care Waste Management, Competency Enhancement for ANM/FHW, Newborn & Infant Care, Maternal and Child Health Care, Diabetes Care for Community Worker, Certificate for Home Based Care Providers

School of Humanities (Ph.: 011-29536441)

Master of Arts (English), (Hindi), Post Graduate Diploma in Book Publishing, Diploma in Creative Writing in English, Urdu, Certificate in Teaching English, Functional English (Basic Level), Urdu Language

School of Interdisciplinary and Trans-disciplinary Studies (Ph.: 011-29533767)

M.A. Folklore and Culture Studies, M.A. Philosophy

School of Journalism and New Media Studies (Ph.: 011-29534392)

Post Graduate Diploma in Journalism and Mass Communication, Audio Programme Production, Certificate in Community Radio

School of Law (Ph.: 011-29531115)

Masters in Intellectual Property Law, Post Graduate Diploma in Intellectual Property Rights, Legal Process Outsourcing, Criminal Justice, Environmental Law, Diploma in Paralegal Practice, Post Graduate Certificate in Cyber Law, Patent Practice, Certificate in International Humanitarian Law, Anti Human Trafficking, Programme on Co-operation, Co-operative Law and Business Laws, Human Rights, Consumer Protection

School of Management Studies (Ph.: 011-29532073)

Master of Commerce, Master of Business Administration (Banking & Finance), MBA in Social Entrepreneurship, Bachelor of Commerce, Post Graduate Diploma in International Business Operation, Financial Management, Human Resource Management, Management, Marketing Management, Operations Management, Diploma in Management, Post Graduate Diploma in Teaching & Research in Management, Certificate in NGO Management, Certificate in Business Skills

School of Performing & Visual Arts (Ph.: 011-29534840)

Certificate in Performing Arts - Bharatnatyam, Kathak, Kuchipudi , Mohiniattam, Odissi, Kathakali, Manipuri, Hindustani Music, Karnatak Music, Theatre Arts, Certificate in Visual Arts - Painting, Applied Arts Sculpture, Certificate in Indigenous Art Practice (offered in North East only)

School of Sciences (Ph.: 011-29532167)

M.Sc.(Mathematics with Applications in Computer Sciences) , Bachelor of Science, Post Graduate Diploma in Environment and Sustainable Development, Analytical Chemistry Diploma in Aquaculture, Certificate Programme in Laboratory Techniques, Appreciation Course on Environment, Certificate in Teaching of Primary School Mathematics

School of Social Sciences (Ph.: 011-29534336)

Master of Arts (Economics), (History), (Political Science), (Public Admn.), (Sociology), Library and Information Science, (Public Policy), Master of Arts (Psychology), Bachelor of Arts, Library & Information Science,BA in Psychology, Bachelor Preparatory Programme, Post Graduate Diploma in Library Automation and Networking, Disaster Management, Participatory Management of Displacement, Resettlement and Rehabilitation , Certificate in Disaster Management, Environmental Studies

School of Social Work (Ph.: 011-29532467)

Master of Social Work, Bachelor of Social Work, Post Graduate Diploma in Social Work, Diploma in HIV and Family Education, Certificate in HIV and Family Education, Social Work and Criminal Justice System

School of Translation Studies and Training (Ph.:011-29533549)

Post Graduate Diploma in Translation, Post Graduate Certificate in Bangala-Hindi Translation, Malayalam-Hindi Translation

School of Tourism and Hospitality Services Sectoral Management (Ph.: 011-29534451)

Master of Arts (Tourism Management), Bachelor of Arts (Tourism Studies), Diploma in Tourism Studies, Certificate in Tourism Studies,

School of Vocational Education and Training (Ph.: 011-29536982)

Post Graduate Diploma in Pharmaceutical Sales Management, Certificate in Jewellery Designing, Diploma in BPO Finance

Centre for Corporate Education, Training and Consultancy (Ph.:011-29572108)

Master of Business Administration, P.G. Diploma in Corporate Governance

onal Open University

068 Website : www.ignou.ac.in

Centre for Extension Education (Ph.: 011-29534104)

MA in Participatory Development. Advanced Diploma in Participatory Development, Post Graduate Diploma in Participatory Development, Post Graduate Certificate in Participatory Development, Diploma in Youth in Development Work, Certificate in Communication Skills for BPO, ITeS and Related Sectors, Life Long Learning

Chair on Education for Sustainable Development (Ph.: 011-29532374)

Leadership Programme on "Nutrition Security and Sustainable Development", Appreciation Programme on Sustainability Science (online), Sustainable Management of Wetlands

Educational Development of North Eastern Region Unit (Ph.: 011-29534034)

Computer Literacy Programme

Regional Centre - Chennai (Ph.: 044-22541919)

Certificate Programme in Entrepreneurship

Regional Centre - Delhi - I (Ph.: 011-26990082)

Certificate in IT Services Management, School Services Management, Publishing Services Management, Garment Manufacturing Services Management, Business Entrepreneurship Development, Retail Services Management, Security Services (Advance), Desk Top Publishing, Communication Skills, Garment Stitching, Retail Marketing, Security Services(Basic) for Security Supervisor, Assistant Security Officer, Security Guard Protection(Non –Credit Programme), Security Supervisor (Non-Credit Programme), Certificate in Energy Technology and Management

Staff Training and Research Institute of Distance Education (Ph.: 011-29535399)

Master of Arts (Distance Education), Post Graduate Diploma in Distance Education

1. The Common Prospectus January 2011 Session can be obtained:
   i) on payment of Rs. 100/- in cash at the sale counter of Student Registration Division in Block-3 at IGNOU HQrs. IGNOU Campus, Maidan Garhi, New Delhi - 110 068.
   ii) Individuals desiring to obtain the Common Prospectus by Post can get it by sending a Demand Draft/Cash Order in favour of "IGNOU" payable at New Delhi to the Registrar, Student Registration Division, Block-3, IGNOU HQrs., IGNOU Campus, Maidan Garhi, New Delhi- 110 068. Sender must write at the back of the Demand Draft / Cash Order, his/her full address below the line: Request for Common Prospectus January Session 2011.
2. i) Similarly individuals residing outside Delhi can obtain the Common Prospectus January 2011 Session on payment of Rs. 100/- from the sale counter of any of the Regional Centres addresses of which are given below.
   ii) For obtaining the Common Prospectus January 2011 Session by Post, please send a Demand Draft/Cash Order of Rs. 150/- to the Regional Director, IGNOU Regional Centre mentioning the address given below for your use. The Cash Order/Demand Draft should be made in favour of "IGNOU" payable at the city where the Regional Centre you are requesting for prospectus is located. Sender must write at the back of the demand Draft/Cash Order his/her full address below the line : Request for Common Prospectus January 2011 Session.
3. Prospectus and Application for January 2011 Session is also available at out website www.ignou.ac.in. Downloaded Admission Application Form duly completed / filled in, can be submitted along with an amount of Rs. 100/- in addition to the programme fee in the form of Demand Draft / Cash Order in favour of IGNOU payable at the city where Regional Centre is located.

	January, 2011 Session	July, 2011 Session
Availability of Common Prospectus	ROUND THE YEAR	
Submission of filled in application forms at concerned Regional Centres	1st June, 2010 to 20th Dec.,2010 (With late fee of Rs. 200/-)	1st December, 2010 to 30th April, 2011 (without late fee) 1st May, 2011 to 31st May, 2011 (With late fee of Rs. 200/-)

NOTE: The filled in forms submitted at concerned Regional Centres beyond the last dates mentioned above shall be treated in next session.

Addresses of the Regional Centres and Recognized Regional Centres :

(1) MBB College Compound, PO Agartala College, Agartala-799004 Ph.:0381-2516715, 2516714, 2516266, (2) Opp. Nirma Instt. of Technology, Sarkhej-Gandhi Nagar Highway, Chharodi, Ahmedabad-382481 Ph:02717-242975/76, 241370, 241580 (3) Lal Bulaia Building, M.G. Road, Khatla(Near Central YMCA OFF.), Aizwal-796001 Ph:0389-2311692/693, 2311789 (4) 3/310, Marris Road, Aligarh-202001 Ph:0571-2700120, 2701365 (5) NSSS Kalyana Kendra, 293, 39th Cross, 8th Block, Jayanagar, Bangalore-560070 Ph.:080-26654747/7376, 26644848 (6) Bhagalpur (7) Sanchi Complex, 3rd Floor, Opp. Board of Secondary Edn, Shivaji Nagar, Bhopal-462016 Ph:0755-2578455/54 (8) C-1, Institutional Area, Bhubaneshwar-751013 Ph:0674-2301348/250, 2300349 (9) SCO 208, Sector-14, Panchkula, Haryana, Chandigarh-134109(UT) Ph: 0172-2590208 (10) C.I.T. Campus, Taramani, Chennai-600113 Ph: 044-22541919/2727, 22542828 (11) Kaloor, Cochin-682017 Ph:0484-2340203, 2348189, 2330891, 2340204 (12) Lalit Narayan Mithila Univ. Camps, Kameshwara Nagar, Near Central Bank, Darbhanga-846004 Ph: 06272-253719, 251833 (13) Nanoor, Khera, Tapovan, Raipur Road, Dehradun-248001 Ph:0135-2789180, 2789190 (14) Plot No. J-2-1 Block-B1, Mohan Cooperative Industrial Estate Mathura Road, New Delhi -110044 Ph:011-26990082/83/84 (15) Gandhi Smriti & Darshan Samiti, Rajghat, New Delhi-110002 Ph: 011-23392376/377/375 (16) F-634-636, Palam Extension, Ram Phal Chowk (Near Sector-7, Dwarka) New Delhi-110045 Ph: 011-25088939/44/83 (17) Gairigaon, Tadong, PO Shumbuk House, Gangtok-737102 Ph:03592- 270364/231375/270923/231383 (18) House No. 71, GMC Road, Christian Basti, Dispur, Guwahati-781003 Ph.: 0361-2662831/879 (19) Plot No.207, Kavuri Hills Phase II, Near Madhapur Police Station, Jubilee Hills (PO), Hyderabad-500033 Ph:040-40266470, 40266471, 402266759 (20) Asha Jina Complex, North AOC, Imphal-795001 Ph.: 0385-2421190/91,92 (21) Hornhill Complex, 'C' Sector (Near Central Sch.) Naharlagun,Dstt. Papum Pare, Itanagar-791110 Ph:0360-2247536 /538/537 (22) 2nd Floor, Rajshekhar Bhavan, Rani Durgavati Vishvavidyalaya Campus, Pachpedhi, Jabalpur-482001 Ph:0761-2600411, 2609919 (23) 70/79, Sector-7, Patel Marg, Mansarovar, Jaipur-302020 Ph: 0141-2785763/50/2784043 (24) SPMR College of Commerce, Canal Road, Jammu-180001 Ph:0191- 2579572/2546995/2561154 (25) Jorhat (26)06, Subhash Marg Subhash Colony Near Home Guard Office, Karnal-132001, Ph:0184-2271514/2255738 (27) ITI Building, Bulepur, (District Ludhiana) Khanna-141401 Ph:01628-229993/237361/238632 (28) Near Mount Hermon School, Don Bosco Hr. Sec School Road, Kenuozou, Kohima-797001 Ph:0370-2260366/ 2260167/2260216 (29) Bikash Bhawan, 4th Floor, North Block, Saltlake Bidhan Nagar, Kolkata-700091 Ph:033-23349850/23347576 (30) Distt, Agriculture Office Road, Behind Panchayat Bhavan, Koraput-764020 Ph:06852-251535/252982/252503 (31) B-1/33, Sect.-H, Aliganj, Lucknow-226024 Ph:0522-2745114/ 2746120/2364893/2746145 (32) Sikkandar Chavadi, Alanganallur Road, Madurai-625018 Ph:0452-2380387/ 2380733/2370588 (33) Om Leva Vikas Niketan, Nanepada Road, Mulund (E), Mumbai-400081 Ph:022-25633159 (34)Gyan Vatika 14 Hindustan Colony, Amaravati Road, Nagpur-440033 Ph:0712-2549521/2563356 (35) C-53, Sector-62, Institutional Area, Noida-201307 Ph: 0120-2405012/2405014/2405013 (36) Behind Chodankar Hospital, Near P&T Staff Quarters, Off Mapusa-Panaji Road, Povorim-403521 Goa Ph.: 0832-2462315/2414552 (37) 2nd Floor, BISCOMAUN Tower, West Gandhi Maidan, Patna-800001 Ph:0612-22219539, 22219541, 22219538 (38) JNRM Campus, Port Blair-744104 Ph:03192-242888, 230111 (39) 1ST Floor, MSFC Building, 270, Senapati Bapat Road, Pune -411016 Ph:020-256671867, 25651321/25671864 (41) R. No. 312 Second Floor, New Administrative Building SDO Jangipur Office Compund Raghunathganj Dt. Murshidabad, West Bengal- 742225 Ph: 03483-271555/666(41) Rest House & EM, Office Hall, Sector-1, Shankar Nagar, Raipur-492007 Ph:0771-2445839/4056508/4074020 (42) Saurashtra University Campus, Rajkot-360005 Ph:0281-2572988 (43) 457/A, Ashok Nagar, Ranchi-834022 Ph:0651-2244688/ 2244699, 2244400 (44) Sunny Lodge, Nongthyammai, Non Shilliang, Shillong-793014 Ph:0364- 2521117/2521271 (45) Chauhan Niwas Building, Khalini, Shimla-171002 Ph:0177-2624612-613, 2624611 (46) Netaji More, Subhas Pally, Siliguri-734001 Ph:0353-2526818, 2526819 (47) Mantoo House, Raj Bagh, Near Masjid AL-Farooq, Srinagar-190008 Ph:0194-2311251/ 2311258/2311259 (48) Mepram Mansion, Chekkalamukku, Sreekariyam, Trivandrum-695017 Ph:0471-2590600/2590300 (48) Gandhi Bhawan, B.H.U Campus, Varanasi-221005 Ph:0542-2368022, 2368622, 2369629 (50) 1st Floor, SKPVV, Hindu High School, Kothapetha, Vijayawada-520 001 Ph:0866- 2565959, 2565353/2565353.

NOTE: Applicants from Army, Navy and Assam Rifles can obtain "Student Handbook & Prospectus" from the following Recognised Regional Centres:

ARMY (RR Centres): (1) IGNOU Army Recog. Reg. Centre (IAEP), Hq Western Command Gs (EDN), C/o 56 APO, Chandimandir-908 043 (2) IGNOU Army Recog Reg.centre (IAEP), Hq South Western Command Gs (EDN), C/O 56 APO , Jaipur-908 546 (3) IGNOU Army Recog. Reg. Centre (IAEP), Hq Eastern Command GS (EDN), C/o 99 Apo, Kolkata-908 542 (4) IGNOU Army Recog. Reg. Centre (IAEP), Hq. Central Command GS (EDN), C/O 56 APO, Lucknow- 908 554 (5) IGNOU Army Recog. Reg. Centre (IAEP), HQ Southern Command GS(EDN), C/O 56 APO, Pune-908 541 (6) IGNOU Army Recog. Reg. Centre (IAEP), Hq. North Udhampur-908 545 ERN Command GS (EDN), C/o 56APO.

NAVY (RR Centres) (1)Central Directorate of Naval Educ. Integrated HQ., Ministry of Defence, West Block 5, 2nd floor, Wing-2, R.K. Puram, New Delhi-110066 Ph.:011-26185299/26194686 (2) HQ. Western Naval Command Shahid Bhagat Singh Marg, Mumbai-400023 Ph.:022-22752245 (3) HQ. Eastern Naval Command, Visakhapatnam-530014 Ph.:0891-2812284/2515834 (4) Naval Base HQ. Southern Naval Command, Kochi-682004 Ph.:0484-2872148/2662515/6194

ASSAM RIFLES (RR Centre) (1) R.C. Directorate General, Assam Rifles (DGAR), Laitumukhrah, Shillong-11 Ph.: 0364-705530, 705564

Registrar(SRD)

info@vidhiads.com

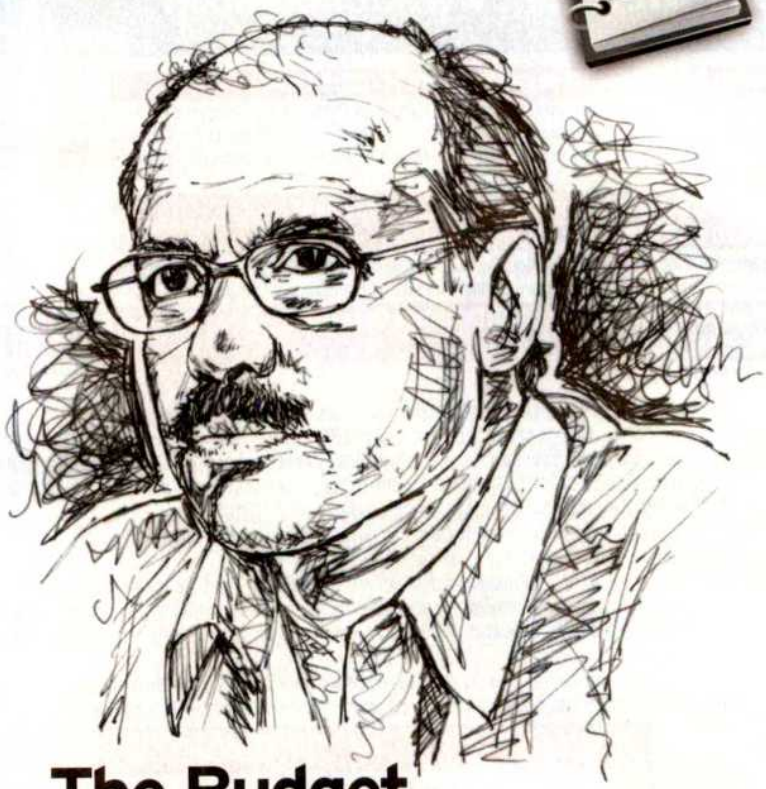
For any queries, prospective students may contact the respective Programme Coordinator on telephone no. and / or e-mail ID given against each Programme, the details of which are available on the website and Prospectus

India Inc's Global Footprint

It was the year when corporate India began looking beyond the country's shores. State-owned ONGC had showed the way the previous year by making India's then largest overseas acquisition when it bought a 25 per cent stake in the Sakhalin oil and gas field in Russia for $1.7 billion. Ranbaxy acquired RPG (Aventis) for $70 million, while Reliance made its first international acquisition, Flag Telecom, for $207 million.

Bulls Return

After staying in the trenches following the Ketan Parekh scam, the bulls staged a comeback in 2003. The Indian growth story saw FIIs pumping in $7.43 billion. Indeed, 2003 marked the beginning of the biggest bull rally in the history of India, which peaked in January 2008, with the Sensex rising seven-fold, from about 3,000 in 2003 to its then lifetime high of 21,206.77 points in January 2008. The Sensex surged over 70 per cent in 2003 alone.



The Budget Airline Boom

India's first low-cost airline's first flight started with a bang, quite literally. Air Deccan's scheduled flight, from Hyderabad to Vijaywada, was grounded after an engine fire. Despite the setback and some lingering concerns about the safety procedures on its aircraft, Captain G.R. Gopinath's Air Deccan went ahead with its expansion plans and introduced flights on several routes. The Indian middle-class nodded in approval as the airline's fares were half of what was being charged by the leading full service airlines. Air Deccan's success saw other low-cost airlines such as IndiGo and GoAir entering the fray over the next few years. Air Deccan was the first airline to move to tier 2 and tier 3 cities such as Madurai, Nashik, Belgaum, Gwalior and Vishakhapatnam. But Gopinath's dream ran out of cash within five years. The airline of the masses was aquired and merged with Kingfisher Airlines.

"A truly independent board adds tremendous value to corporate governance and performance. We have independent directors who are professionals and experts, not industrialist friends." Adi Godrej, Chairman, Godrej Group

PAPPACHAN muthoot FINCORP
www.muthootfincorp.com

Repaid my gold loan at my convenience.

I chose Muthoot Pappachan Fincorp's
SMART PLUS GOLD LOAN because
I can repay it in easy installments of 6 to 36 months

PAPPACHAN muthoot
Smart+ gold loan
EASY TO GET. EASIER TO REPAY.

*Conditions apply

India's first gold loan repayable in installments

SMART PLUS GOLD LOAN

- Avail loan up to 90% of the value of your pledged gold.
- Annual Interest at only 12%*
- Personalised service, relationship managers waiting to take your call.
- Private meeting room at most branches.
- Minimum documentation and formalities, walk out with your loan in minutes.

Call your Smart Plus Gold Loan relationship manager today:

Andhra Pradesh : Hyderabad - 9246475653, Visakhapatnam - 9246628913, Vijayawada - 9849512384, Rest of Andhra - 9848147074. **Delhi** : Delhi (East, South) - 9873437330, West Delhi - 9716141678, North Delhi - 9716100145, Noida / Ghaziabad - 9716100145. **Goa** : 9225908852. **Gujarat** : Ahmedabad - 8866507801, Rest of Gujarat - 9909008709. **Haryana** : 9996461222. **Karnataka** : Bangalore - 9620550022 / 9986186660, Mysore - 9844177403, Mangalore - 9448636669, North Karnataka - 8095559001. **Kerala** : Calicut - 9349785199, Cochin - 9895057856, Trivandrum - 9745653789, Rest of Kerala - 9895125588. **Maharashtra** : Pune - 9689893453, Mumbai - 8097139532 / 9769670545. **Punjab** : 9501700221, **Tamil Nadu** : Chennai - 9500120424 / 9382716265, Salem - 9500120408, Coimbatore - 9500120443, Madurai - 9940966352, Pondicherry - 9940921772, Rest of Tamil Nadu - 9884049719 / 9788949995.

Toll-free : 1800 102 1616 | SMS 'EASY GOLD' TO 56161 | www.muthoot.com

2004

QUOTE OF THE YEAR

"There are issues, which are ownership issues. These are in the private domain."

Mukesh Ambani

Brothers Up in Arms

Dalal Street had been abuzz with rumours of a rift between the Ambani brothers after their father's death in 2002. But the differences were out in the open when Mukesh made a public statement about "ownership issues" in the Reliance Group. This triggered off a bitter battle, fought in full media glare, between the siblings for control of the family businesses.

Their mother Kokilaben was finally forced to intervene and play the peacemaker. This culminated in the split of the Reliance empire in 2005. Flagship Reliance Industries Ltd (RIL) went to Mukesh, while the younger Anil got Reliance Energy, a power generation and distribution company, Reliance Infocomm (now Reliance Communications) and Reliance Capital, a non-banking finance company.

The brothers, though, were at loggerheads again in 2009. This time over the price of the natural gas which RIL had agreed to supply to Reliance Power's Dadri plant. After a pitched legal battle, the Supreme Court ruled in what was broadly interpreted as a victory for Mukesh and made it clear that RIL does not have to supply gas at a previously agreed price to Anil's companies.

Broadband Policy Unveiled

An ambitious broadband policy was rolled out in 2004 by the Department of Telecom to deepen the then negligible broadband penetration in the country. The policy de-licensed the 2.40-2.48 GHz frequency band for broadband services and also allowed direct-to-home, or DTH, television operators to give one way Internet connections. But the policy failed to deliver. Against the target of 20 million broadband subscribers by 2010, India today has just nine million connections.

Biocon IPO Debuts

It was one of the most-awaited IPOs. Biotechnology was emerging as a fast-growing business and the IPO by the Kiran Mazumdar-Shaw promoted Biocon was the first by a company in the sector. While the company raised over ₹300 crore, the issue was oversubscribed 33 times. Because of the long gestation of products in its business, Biocon's stock has not had a spectacular run on the bourses. But biotechnology has emerged as a focus area for the bluechip pharmaceutical companies.

DID YOU KNOW?

The Indian manufacturing sector finally showed signs of revival growing at a rapid 8 per cent plus, almost matching the pace of growth of the services sector.

27 Years of Excellence!

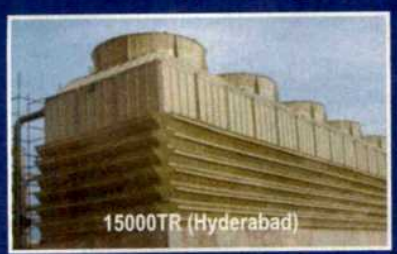
ADVANCE 2020™

India's No.1...FRP Cooling Tower !

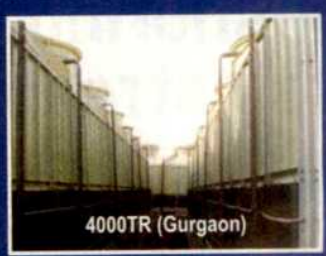
With Over 16,000 Satisfied Customers

CTI CERTIFIED

India's only Cooling Tower with CTI (USA) certification for 'A-SERIES' Towers.


15000TR (Hyderabad)

3000TR (Bangalore Airport)


4000TR (Gurgaon)

3200TR (Mumbai)

Upto **1000 TR** available in single cell.

Introducing **100% Non-corrosive** FRP Towers.

Also available **Non-CTI 'AL & TM' Series** Cooling Towers.

Approved by **"Indian Green Building Council"** for Green Buildings.

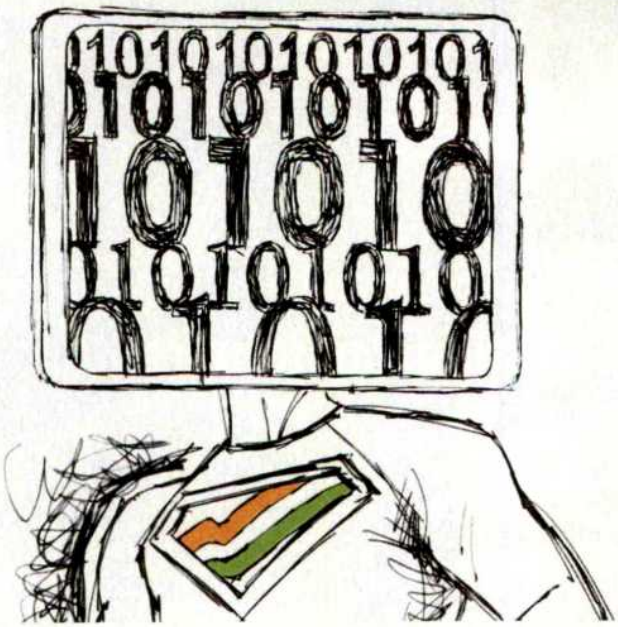
Visit us at:

- **AHR EXPO 2011** Jan 31st to Feb 2nd - Stall No. N5011, Las Vegas Convention Center, Las Vegas, NV.
- **ACREX INDIA 2011** Feb 24th to 26th - Stall No.18 of Hall 12, Pragati Maidan, New Delhi.

Advance Cooling Towers Pvt. Ltd.

405, 'Span Centre', R.K. Mission Marg, Santacruz (W), Mumbai - 400054. INDIA
Tel: 2600 1067/68 Fax: 2600 0303. E-mail: sales@advance2020.com, www.frpcoolingtowers.com
Branch Offices: • Bangalore: 09900521598 • Delhi: 09953658971 • Chennai: 09445155645

Agarwal Ad



Offshoring Goes Mainstream

The world got Bangalored in 2005. By 2004, there were three Indian IT services companies with billion-dollar revenues — TCS, Infosys and Wipro. Despite that, the trio was still not in the same league as IBM and Accenture. Indian IT companies had to be content with the occasional $100 million deal, while their multinational counterparts were getting the large outsourcing contracts ($500 million-$1 billion). That changed in September 2005, when TCS, Infosys and Patni were picked among the five vendors for a $2.2 billion mega contract by Dutch financial powerhouse ABN AMRO. Even though IBM cornered the bulk of the work, it was the first time that Indian vendors were part of an outsourcing mega deal. There was no looking back.

Indian companies began to grow rapidly in size as they cornered a larger portion of the IT contracts signed in the 1990s as they came up for renewal. Infosys, for example, more than doubled its headcount to one lakh employees between December 2005 and October 2008. Moreover, the deals kept becoming bigger. TCS signed a $1.2-billion deal with Nielsen in October 2007 — the largest deal ever for Indian IT.

QUOTE OF THE YEAR

"The question is: who will trade with me? Ketan Parekh and Harshad Mehta are names that are globally associated with scams."

Ketan Parekh to *BT*, denying allegations that he was active in the stock markets despite a SEBI ban.

DID YOU KNOW?

In 2005, Indian airlines booked aircraft worth $12 billion at the Paris Air Show, led by IndiGo which placed a $6-billion order for 100 A320s.

Promoters Cash Out

They had built their businesses from scratch and now that valuations were soaring, they sold out and cashed in. Hemendra Kothari sold a 47 per cent stake in DSP Merrill Lynch, a joint venture with his baby DSP, to Merrill Lynch for $500 million in December 2005. He sold his remaining 10 per cent stake in 2009 for about ₹500 crore. Also, in July 2005, Rajeev Chandrasekhar sold his stake in BPL Mobile for over ₹1,000 crore in an all-cash deal worth over $1 billion.

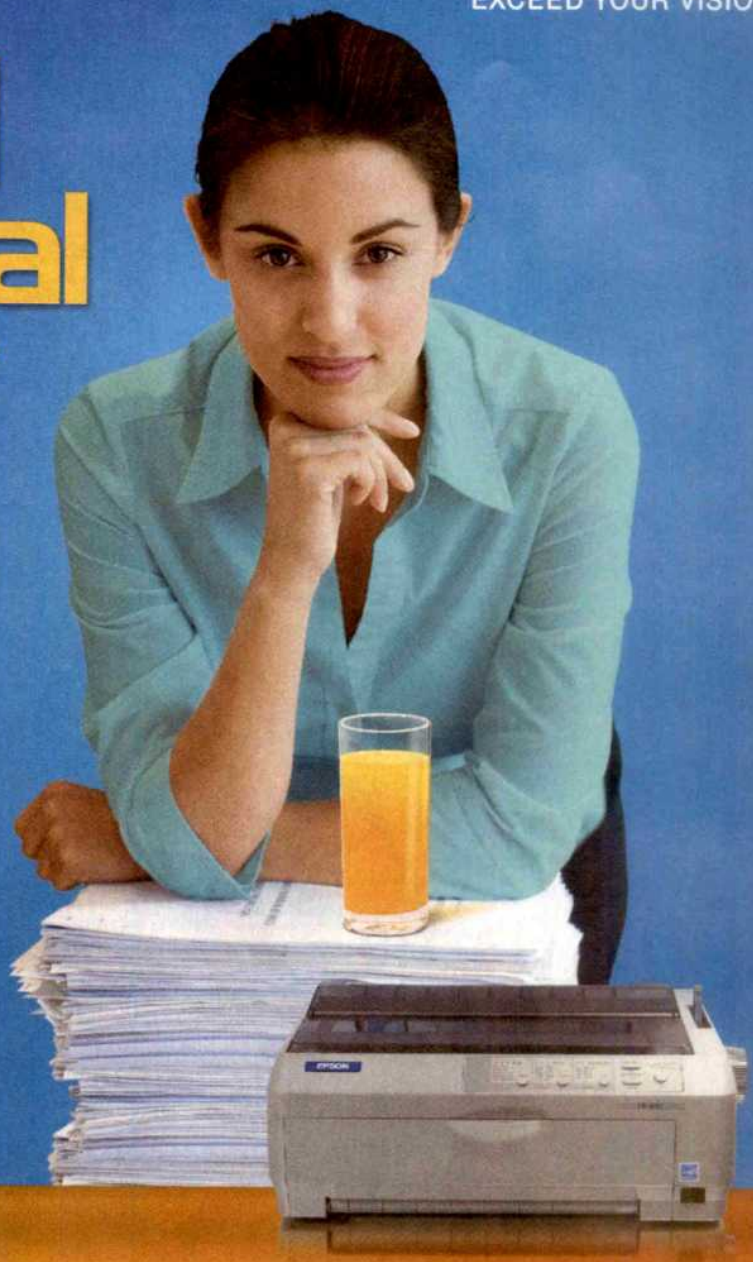
Gung-ho on India

The first week of December 2005 saw two high profile visits, followed by billion-dollar investments. Microsoft's Bill Gates, in his fourth visit to India, announced that Microsoft would invest $1.7 billion in its India Development Center and hire 3,000 employees in India. A couple of days later, Intel Chairman Craig Barrett declared $1 billion worth of investments in India, including a $250-million venture capital fund. Earlier, in October 2005, Cisco disclosed plans to invest $1.1 billion in India.

EPSON
EXCEED YOUR VISION

See Beyond the Usual

with the high volume reliability of the World's No.1 Dot Matrix Printers



IMAGING INNOVATION

2 YEAR ONSITE SERVICE* WARRANTY
INCLUDING PRINT HEAD
*On select models only.

See world leading Dot Matrix Printers that are truly reliable, and are built to handle large volumes, effortlessly.

additional Linux support

Epson FX-890*
80 col, 680cps print speed, USB & Parallel interface, 1+5 copies

MRP: ₹9,000/-

Epson FX-2190
136 col, 559cps print speed, 1+5/1+6 copies, USB & Parallel interface

MRP: ₹32,600/-

Epson LQ-2090*
136 col, 440cps print speed, 1+4 copies, USB & Parallel interface

MRP: ₹23,800/-

Epson LQ-2190
136 col, 480cps print speed, 1+5 copies, USB & Parallel interface, POH upto 20,000 hrs

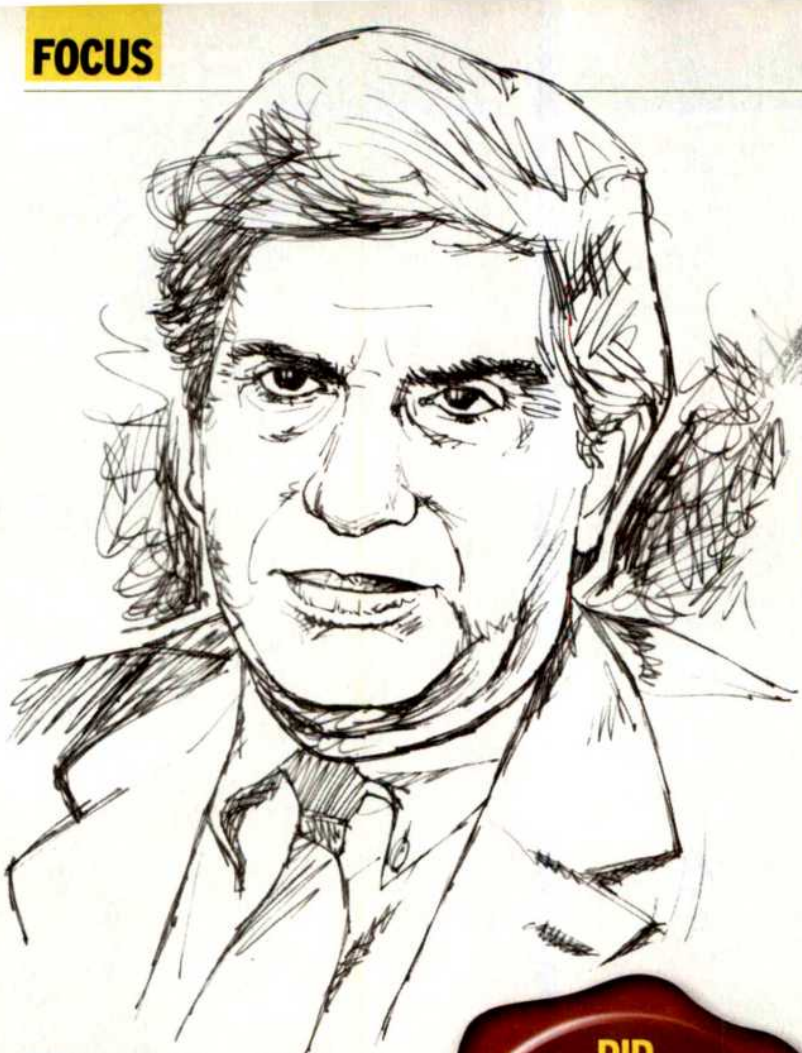
MRP: ₹36,400/-

Features vary from model to model. Check product brochure for exact features.

EPSON SERVICE

Contact: 099866 60251(9AM - 6PM) (Mon - Fri) or email: dmp@eid.epson.co.in
Epson Helpline: For product info, service or to order a ribbon - 1800 425 0011

SMS EPSON



India Inc Goes Shopping

It was a year of mega mergers and acquisitions for India: 1,164 deals, valued at $35.6 billion, were sealed. The big news was Tata Steel's bid for Corus in October 2006 (which was eventually sealed for $12 billion in January 2007). But deals happened across sectors. Dr Reddy's gobbled up Germany's betapharm, Holcim bought into Ambuja Cements, Oracle acquired a majority stake in i-flex Solutions. The next year was even bigger with $32.76 billion worth of outbound deals, including the $6-billion buyout of Novelis by Hindalco.

FDI Allowed in Single-brand Retail

The government decided to partially open the retail sector by allowing 51 per cent FDI in single-brand retailing. The move enabled the likes of Reebok, Nike, Benetton to set up their outlets in India directly instead of operating through franchisees or wholesale trading models. According to KPMG, under the category of single brand retailing, the industry has received an FDI inflow of some ₹900 crore between April 2006 and March 2010.

The Battle for Singur

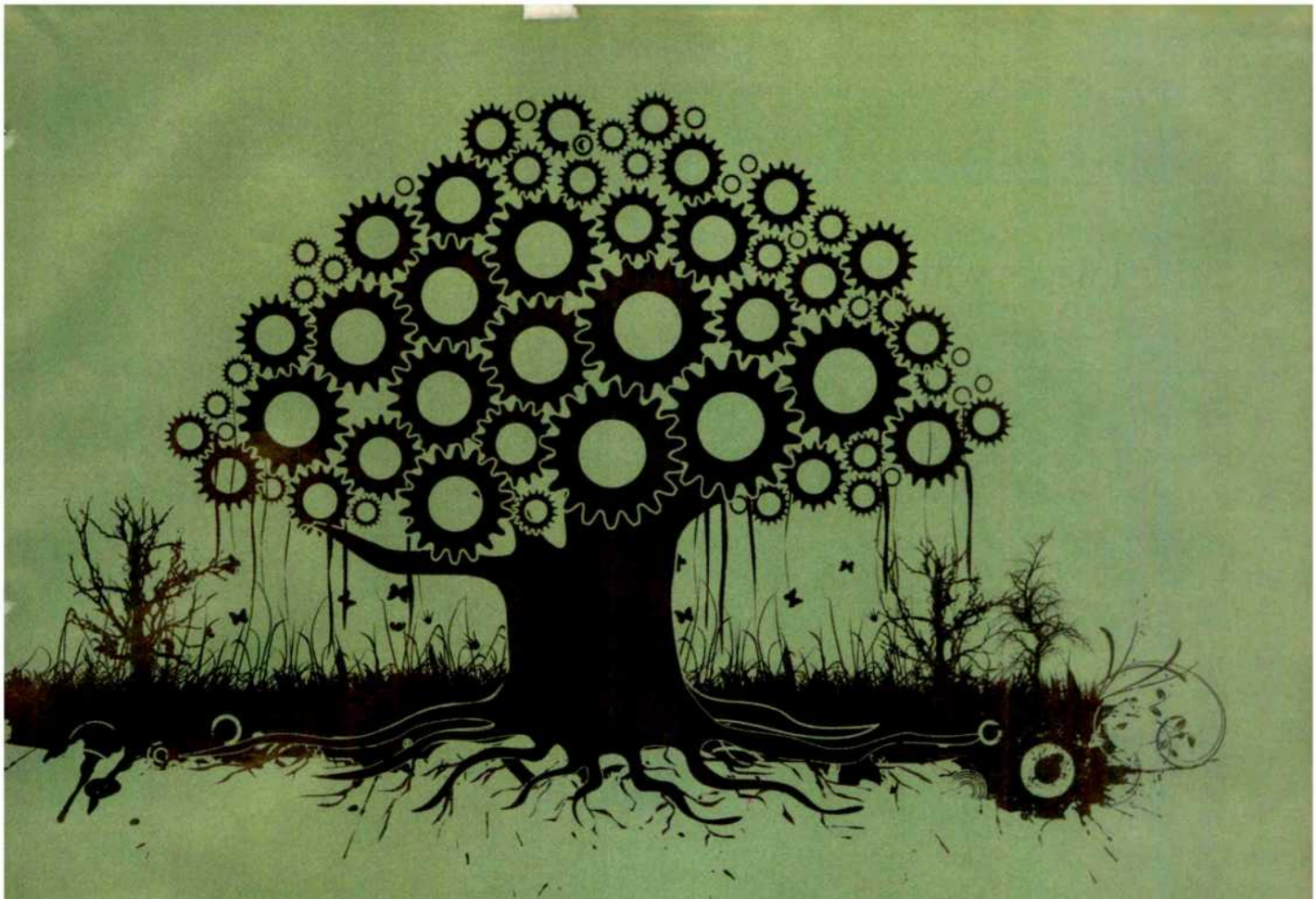
DID YOU KNOW?
By raising a total of $7.23 billion through 78 public offers, the Indian IPO market ranked eighth in the world in terms of number and value in 2006.

Singur was a nondescript town in West Bengal till Tata Motors chose it as the manufacturing location for its small car, the Nano, in May 2006. As the state government started acquiring land for the project, the feisty Trinamool Congress chief Mamata Banerjee launched protests. Her objection was that fertile agricultural land was being handed over to Tata Motors. The Communist government, which was keen to prove the state's "industry friendliness", refused to budge. As a result, the next 30 months saw Singur turn into a battleground. Finally, in October 2008, Tata Motors pulled out of Singur and moved the Nano factory to Sanand in Gujarat. Ironically, even as the first Nano rolled out of the Sanand factory in June 2010, Banerjee's party crushed the Communists in the West Bengal civic polls. The Singur troubles rippled across other parts of the country with farmers and activists protesting and questioning land-for-industry deals with inadequate compensation and rehabilitation.

QUOTE OF THE YEAR

"India, Indian institutions and Indians can have a shot at the world today. These chances don't come often... this is India's second tryst with destiny."

Uday Kotak, Vice Chairman and MD, Kotak Mahindra Bank



Over five decades of inspiring the industrial world. And still going strong.

Elecon Engineering. Asia's largest gear company.

Driven by excellence since 1951, Elecon is Asia's largest gear manufacturing company enjoying a significant presence in India and abroad. Elecon's proven expertise in technology and innovation has enabled it successfully decipher the changing requirements of the industry and churn out technologically superior products from time to time. No wonder then that today Elecon is the supplier of choice to core sectors like Sugar, Cement, Chemical, Fertilizer, Steel, Power, Plastic Extrusion and Rubber, among others.

Elecon Engineering. Gearing Industries. Gearing India.

Dual Tandem Gear Box

Fluid, Geared & Flexible Couplings

SNU Worm Gear Box

ELECON ENGINEERING COMPANY LIMITED Post Box # 6, Vallabh Vidyanagar, 388 120, Gujarat, India.
Gear Division: Tel.: +91(2692) 236469, 236513, 236516. **E-mail:** infogear@elecon.com
MHE Division: Tel.: +91(2692) 237016, 236521, 236590. **E-mail:** infomhe@elecon.com

EMTICI ENGINEERING LTD. Marketing & Servicing Company **Regd. Off:** Vallabh Vidyanagar.
Branches: Ahmedabad, Asansol, Bangalore, Bilaspur, Kolkata, Chennai, Dhanbad, Jamshedpur, Mumbai, New Delhi, Nagpur, Secunderabad, Pune & Vadodara. **www.emtici.co.in**

ELECON

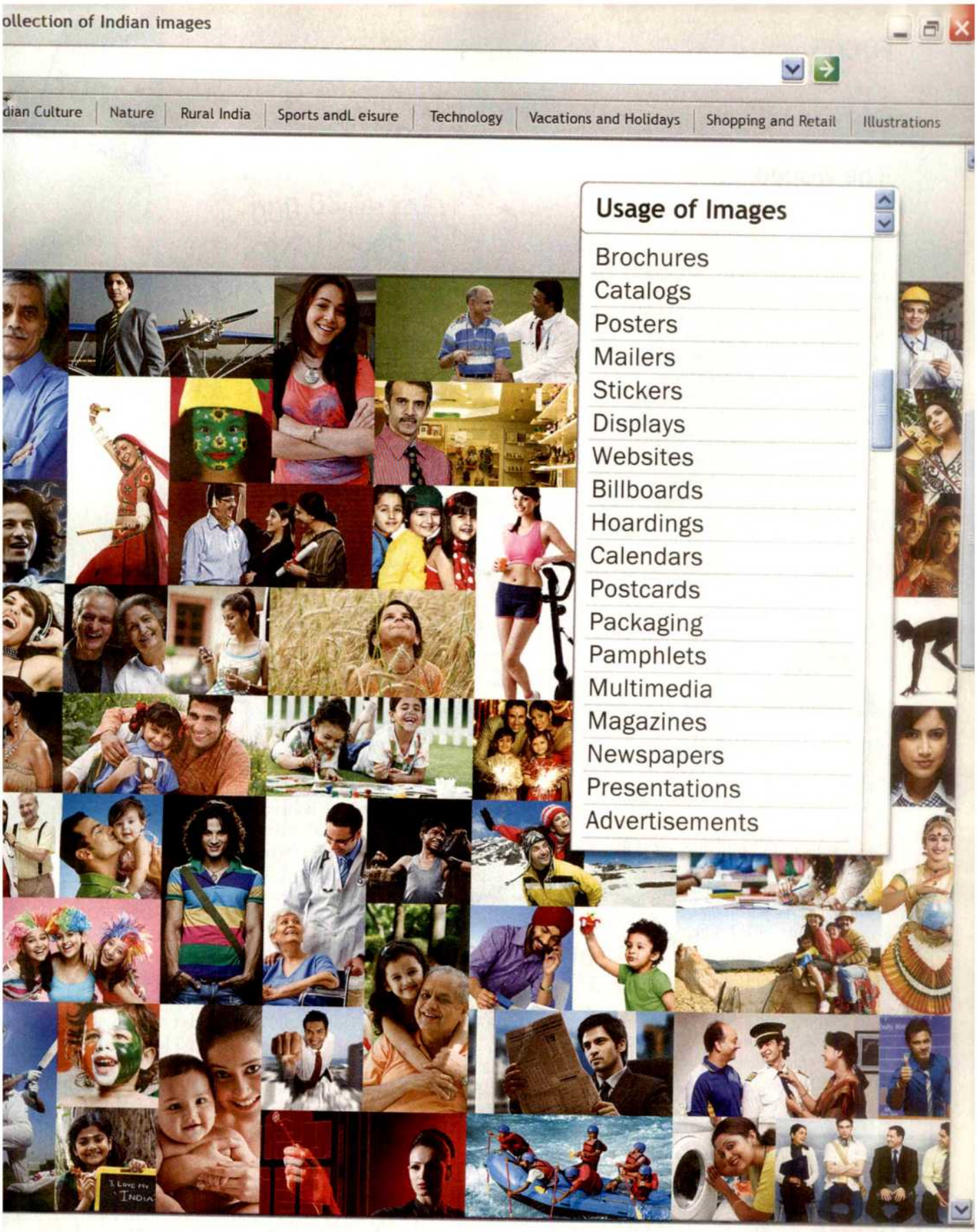
Always a step ahead in technology

For orders, order status, delivery schedule, product drawings, product catalogues and technical information visit **www.elecon.com**

Gears that run the Nation

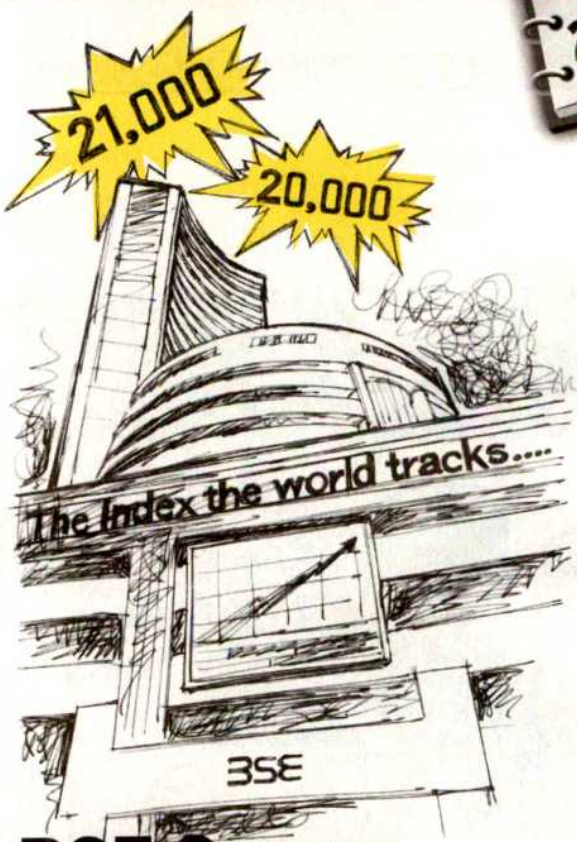
mxadvertising.com/120/10

ImagesBazaar provides a one of its kind online resource for searching, purchasi
ImagesBazaar is the World's largest collection of creative images with Indian face
images for their **advertising, marketing and publishing** needs. Log on t


ollection of Indian images
dian Culture
Nature
Rural India
Sports andL eisure
Technology
Vacations and Holidays
Shopping and Retail
Illustrations
Usage of Images
Brochures
Catalogs
Posters
Mailers
Stickers
Displays
Websites
Billboards
Hoardings
Calendars
Postcards
Packaging
Pamphlets
Multimedia
Magazines
Newspapers
Presentations
Advertisements
d downloading exclusive Indian images. With over 900,000 images,
present, over 7000 clients in more than 45 countries are using our
vw imagesbazaar.com today!

The Rupee on Steroids

The deluge of capital inflows saw the rupee hardening against the dollar, hurting exporters. The rupee rose to 39.27 on October 11, 2007 – the highest since February 26, 1998. That shaved off the profits of most export-dependent industries. Even as IT companies registered lower profitability, the Indian textile industry struggled to compete with other low-cost producers such as Taiwan, China and Bangladesh. The textile industry is estimated to have lost some 600,000 direct and indirect jobs in 2007-08.



BSE Sensex Crosses 20,000

The second half of 2007 was a euphoric time for India. The Indian cricket team had lifted the T20 World Cup. And the Bombay Stock Exchange's 30-share Sensitive Index, or Sensex, which had taken a little over two decades to cross 10,000 in February 2006, doubled in just 20 months. As foreign institutional investors or FIIs bought $17 billion worth of equities in the first nine months of 2007, the Sensex crossed 20,000. The market continued to rally until the end of the calendar year as traders, institutional and retail investors ignored the warning signs: a rise in crude oil prices and the US subprime crisis. Overall, in 2007, the market capitalisation of the BSE 500 jumped to ₹65 lakh crore from ₹33 lakh crore the previous year. The bull rally continued till early 2008 when the Sensex crossed 21,000. It was a steady fall from there until the markets started recovering again in May 2009.

DLF's Towering IPO

With property prices on fire and a booming economy, real estate major DLF mopped up close to ₹9,200 crore in the biggest IPO until then in India. More than half a dozen real estate companies, including the likes of Housing Development and Infrastructure, IVR Prime, Omaxe, and Puravankara Projects, followed DLF and collectively raised over `4,800 crore. All these stocks are currently trading below their IPO prices.

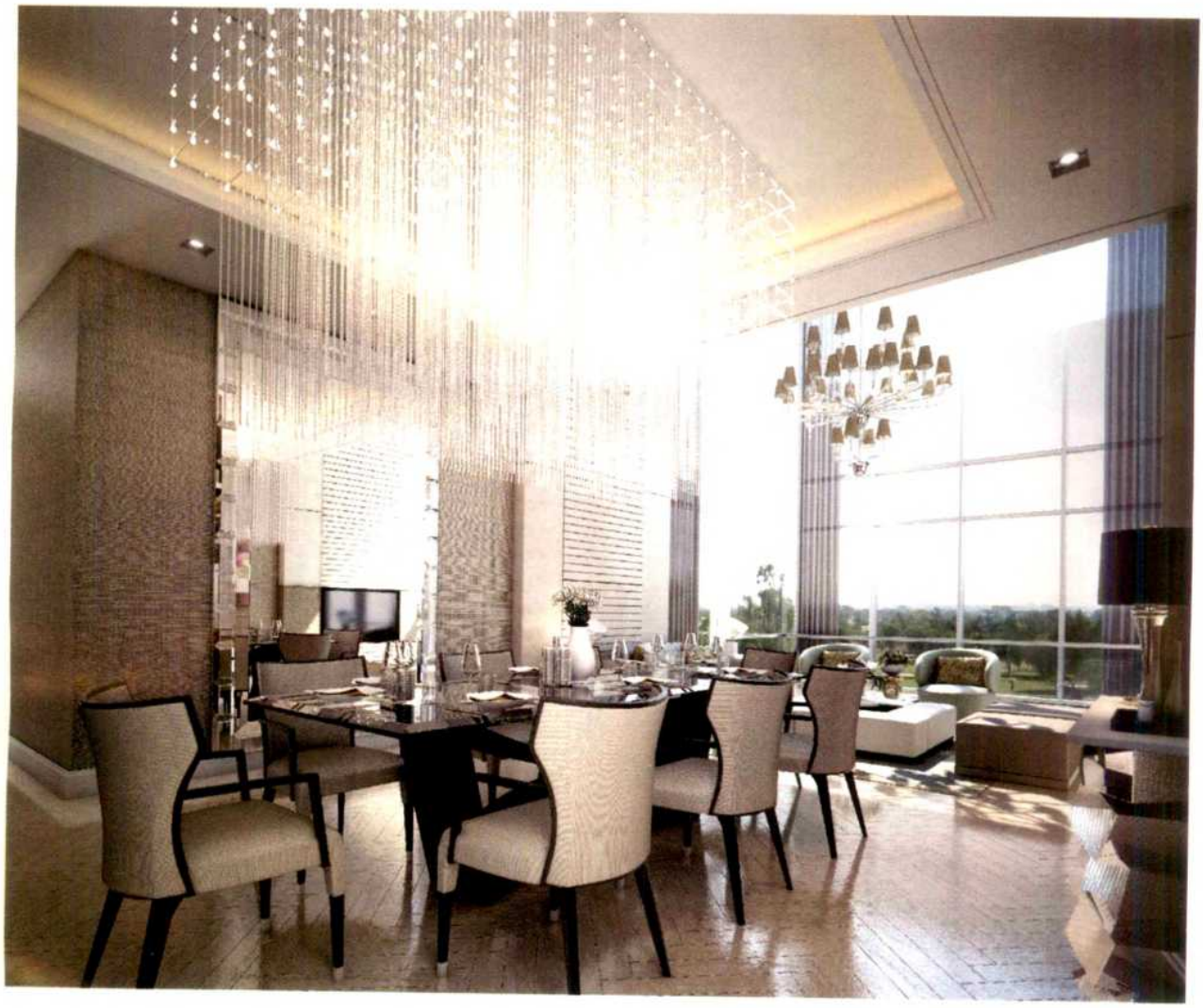
DID YOU KNOW?
The government gave a fillip to power generation by awarding Ultra Mega Power Projects – Mundra to Tata Power, and Sasan and Krishnapatnam to Reliance Power.

QUOTE OF THE YEAR

"Let's be honest. These two (Air Sahara and Air Deccan) were charging unrealistic fares, and the removal of these fares from the market will be good for the entire industry." Siddhanta Sharma, Chairman, SpiceJet

Central Park®

A select few will discover a new way to conduct business. For the rest, there's always golf!



Presenting **Celebrity Duplexes**, each with a grand view of a 20-acre* Central Garden at Central Park II, Sector 48, Gurgaon.

Belgravia®
The Gold Standard of Living

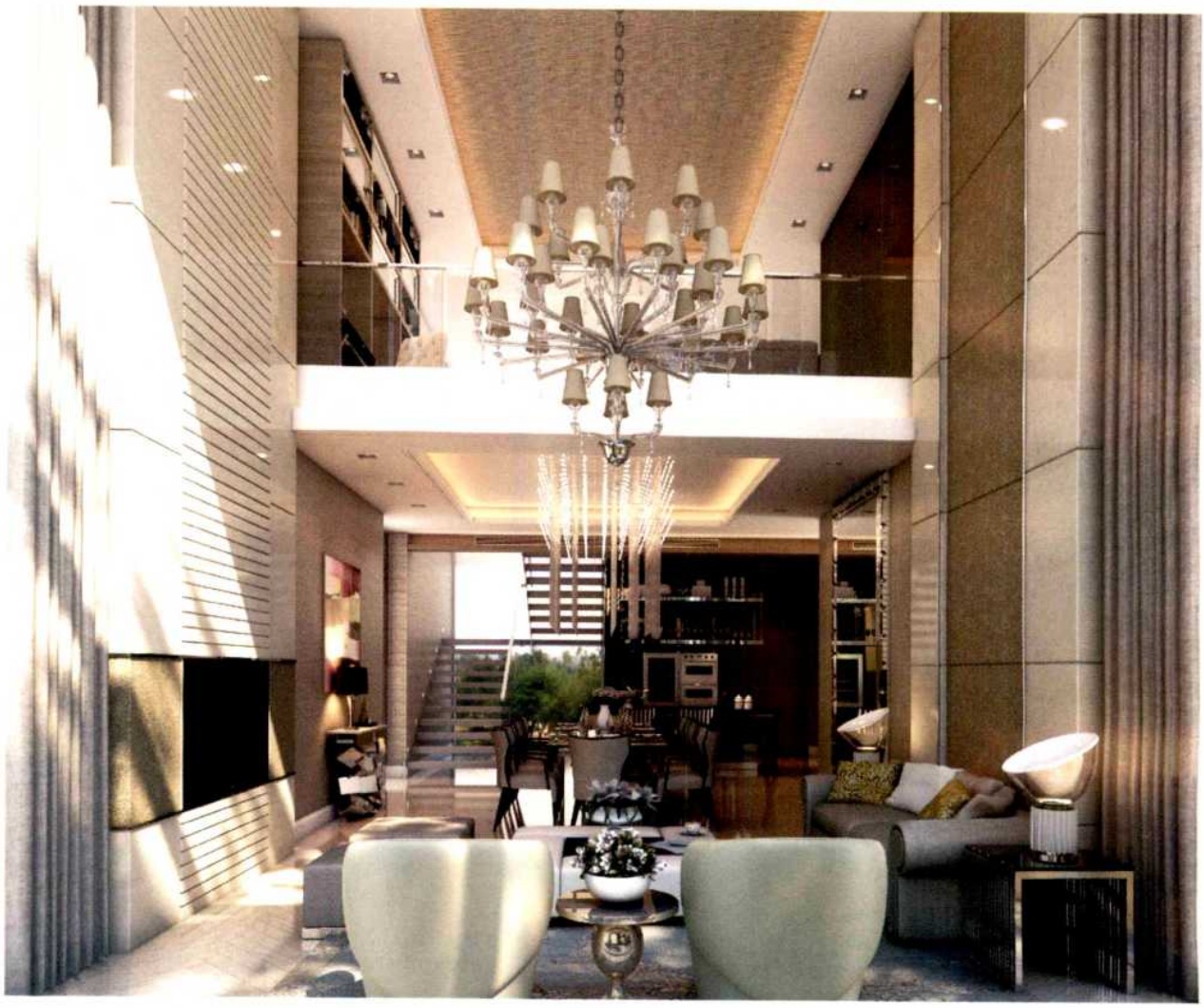
For more information, please call: 9911292932, 9911292934, 9911898927, 9911292947
To request for corporate presentation, please call: 9911898931. **Email:** enquiry@centralpark.in, **Website:** www.centralpark.in

Corporate office: Sweta Estates Pvt. Ltd., 3rd Floor, Tower D, Global Business Park, Mehrauli-Gurgaon Road, Gurgaon - 122 002.
Site/Sales office: Central Park II, Sector 48, Gurgaon.

All images are an artistic conceptualization and are not a legal offering and do not purport to replicate the exact product. The developer reserves the right to amend/alter the area, layout plans, elevations, specifications and amenities. For detailed information, kindly refer to the application form.

Central Park®

Only 50 such duplexes exist in this world. To own one, you'd need to be one in a million.



Presenting **Celebrity Duplexes**, each with a grand view of a 20-acre* Central Garden at Central Park II, Sector 48, Gurgaon.

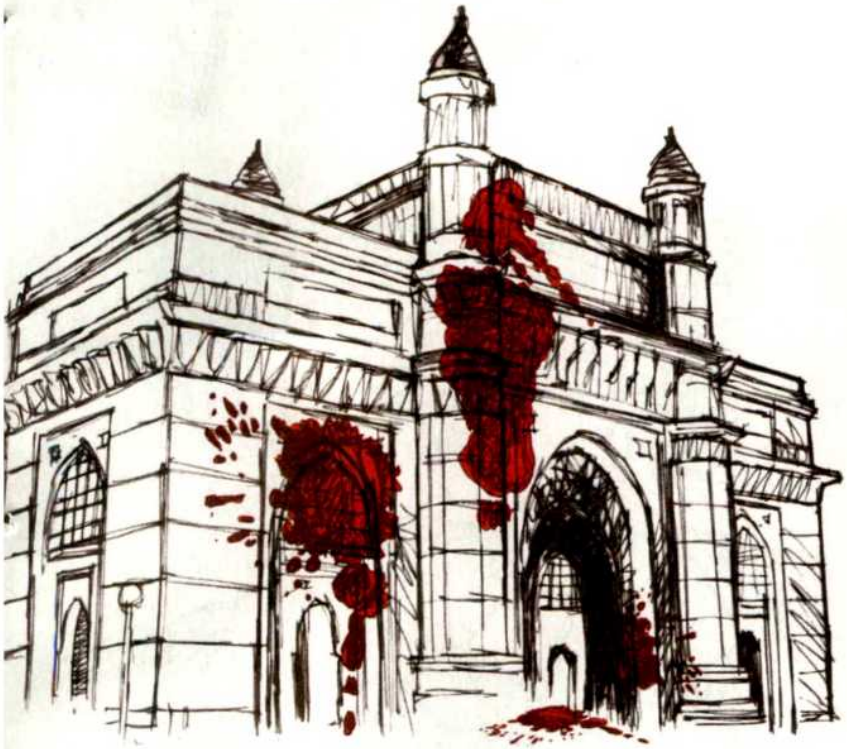
Belgravia®
The Gold Standard of Living

For more information, please call: 9911292932, 9911292934, 9911898927, 9911292947
To request for corporate presentation, please call: 9911898931. **Email:** enquiry@centralpark.in, **Website:** www.centralpark.in

Corporate office: Sweta Estates Pvt. Ltd., 3rd Floor, Tower D, Global Business Park, Mehrauli-Gurgaon Road, Gurgaon - 122 002.
Site/Sales office: Central Park II, Sector 48, Gurgaon.

All images are an artistic conceptualization and are not a legal offering and do not purport to replicate the exact product. The developer reserves the right to amend/alter the area, layout plans, elevations, specifications and amenities. For detailed information, kindly refer to the application form.

*2.5 acres = 1 hectare



26/11

Mumbai had seen bloodshed in the past. The serial blasts of 1993 and the train blasts of 2006 claimed hundreds of lives. But the urgency of commerce and the work ethos of Mumbai ensured that the maximum city never paused for more than a day. On November 26, 2008, 10 terrorists changed all that as they opened fire and set off bombs at public places and the docks. After the attacks at the Chhatrapati Shivaji Terminus (CST), the Taj Mahal Palace and Tower, the Oberoi Trident and Café Leopold, the terrorists took people hostage. This time, the city stopped for almost four days, although train services were resumed within six hours of the attacks on CST. By the time commandos ended the siege on November 29, the death toll was 190 with over 300 people injured. Café Leopold reopened five days later. The Taj and the Oberoi were back in business a month later. But the attacks took their toll on the economy, which was already down because of the recession. According to one estimate, the city lost ₹4,000 crore in revenues as shops and other establishments downed shutters. Businesses in aviation, insurance, tourism and hospitality were hit and shed jobs.

DID YOU KNOW?
The Sensex lost 10,640 points, or a little more than 52 per cent, in 2008.

Tata Snaps Up Jag

This was the last big-ticket acquisition before the recession hit Indian shores. Tata Motors forked out $2.3 billion to acquire the marquee brands of Jaguar and Land Rover (JLR) from Ford in March. By mid-2009, that move looked like a colossal blunder as Tata Motors posted a net annual loss of ₹2,500 crore – its first loss in seven years – with sales of JLR luxury cars plummeting. As the economic sentiment improved and buyers in new markets, like China, went on a binge, JLR sales picked up and now account for more than half of business at Tata Motors.

Recession Hits India

The US's nasty cold had India sneezing. As US financial giant Lehman Brothers went belly up and others courted bankruptcy, a full-blown recession in India seemed all too real. By Diwali eve, the Sensex was down to 8,701 points from an all-time high of 21,000 in January 2008. Banks refused to lend, which led to a liquidity crunch. India's economic growth slowed down to 5.3 per cent in the third quarter to December, from 8.9 per cent a year ago. Over five lakh jobs were lost between October and December 2008, the government estimated.

QUOTE OF THE YEAR

Even if there is money available, nobody wants to take the risk of buying or investing." Sumant Sinha, COO, Suzlon, on the liquidity crunch

QUOTE OF THE YEAR

"It was like riding a tiger, not knowing how to get off without being eaten."

Ramalinga Raju, in his confession letter dated January 7, on why he continued to cook the books for years

Tata Nano Launch

More than a year after unveiling the car at the Auto Expo in Delhi, Tata Motors rolled out the first Nano in July 2009. The "standard model" cost ₹1 lakh without taxes, which made it the world's cheapest car. The Nano's ride, since then, has not been smooth. Some cars have caught fire, forcing the company to make safety fixes. In November 2010, Nano's sales plunged to an all-time low of 509 units from a peak of 9,000 units in July this year.

Unravelling of the Retail Sector

After almost a decade of heady growth, the modern retail sector began to fall apart. Subhiksha Trading, started by R. Subramanian in 1997, was the first one to collapse under the weight of spiralling costs, rising debt and lack of fresh funding. The following year, Delhi-based Vishal Retail was sold off to private equity firm TPG Capital and Chennai-based Shriram Group. Other retailers such as Reliance Retail, Aditya Birla Retail's More, and the Essar Group's The Mobile Store, either scaled back their expansion plans or shut down stores. Some like Koutons are still struggling with debt.

Satyam Scandal

At nearly ₹8,000 crore, the Satyam scam was among the biggest in corporate India and tarred the image of the snow white IT industry. The perpetrator: the soft-spoken founder and Chairman of Satyam Computer Services, B. Ramalinga Raju. In January 2009, when Raju confessed to cooking the books of then India's fourth-largest software services company, investors in Satyam shares lost a whopping ₹13,600 crore within a month and the company faced an avalanche of lawsuits. Clients dropped off and many in the Raju clan were arrested, and the external auditors came under fire. However, with parliamentary elections a few months away, the Union government intervened, dismissing the company's board and appointing a new one in its place. In the bidding process for the company, the Mahindra group beat Larsen & Toubro to acquire it, less than four months later in April 2009. The scandal raised questions about the state of corporate governance and the role of independent directors in India. Since then, Raju has been in and out of custody, even as he continues to fight a protracted legal battle. Satyam has been rebranded as Mahindra Satyam and is attempting to regain its past glory.

DID YOU KNOW?

The Tatas began working on an affordable small car in 2003. Over 500 engineers worked on the Nano for four years. The entire body was designed twice and the engine designed three times in a span of four years before the launch.

Microfinance Nightmare

The microfinance industry's honeymoon ended the year it was supposed to have begun. A couple of months after Hyderabad-headquartered SKS Microfinance listed on the bourses, microfinance institutions (MFIs) were accused of charging exorbitant interest rates and strong-arm collection tactics. The government cracked down with an ordinance. One minister in the state even asked people to beat MFI collection agents "with brooms and slippers."

Scams, Scandals and Shame

If there were two words to describe 2010, they would be graft and grime. Accused of graft, Indian Premier League (IPL) boss Lalit Modi was sacked by Indian cricket's governing body. Among other things, Modi was accused of pinching designer watches. IPLgate also put the brakes on the career of diplomat-turned-politician Shashi Tharoor as his role as "mentor" of the Kochi team came to light. Tharoor's case was not helped by revelations that his then girlfriend (and now wife) Sunanda Pushkar was awarded a small stake (worth ₹70 crore) in the team as sweat equity. The BJP-led Karnataka government was accused of land scams, mining scams and by and large running a corrupt government.

The Commonwealth Games got a wealth of bad international press as a footbridge collapsed and the shoddy states of event venues came to light just before the start. Corruption charges against government officials and the organising committee members continue to be investigated. And then, there was the ₹1.76-lakh crore 2G scam. As taped conversations of lobbyist Niira Radia with corporate bigwigs, politicians and journalists were leaked, honesty in public life in India seemed like a distant dream.

AADHAAR

An ID for All Indians

In the works since 2006, the unique identification "Aadhaar" scheme took off in September 2010, when the Prime Minister handed out the first set of 12-digit numbers at Tembhli village in Maharashtra's Nandurbar district. Led by former Infosys chief Nandan Nilekani, the Unique Identification Authority of India is planning to issue 600 million UIDs over the next five years.

DID YOU KNOW?
About 54 per cent Indians paid bribes in the past year, according to a recent global survey by Transparency International.

QUOTE OF THE YEAR

"The Indian consumer is very demanding, which is a good thing. They want a significant amount of quality, but they also want the lowest price possible." Andreas Gellner, Managing Director, Adidas India

THE INDIA TODAY GROUP

INDIA TODAY – Amway Emerging Woman Entrepreneur Award

If you are a woman entrepreneur or know one who has set up a successful enterprise and contributed to society at large, we want to hear about it!

Share the success story with us by sending in an entry. The winning entrepreneur will be recognised at the **INDIA TODAY Woman Summit & Awards 2011** in Mumbai

CALL FOR ENTRIES

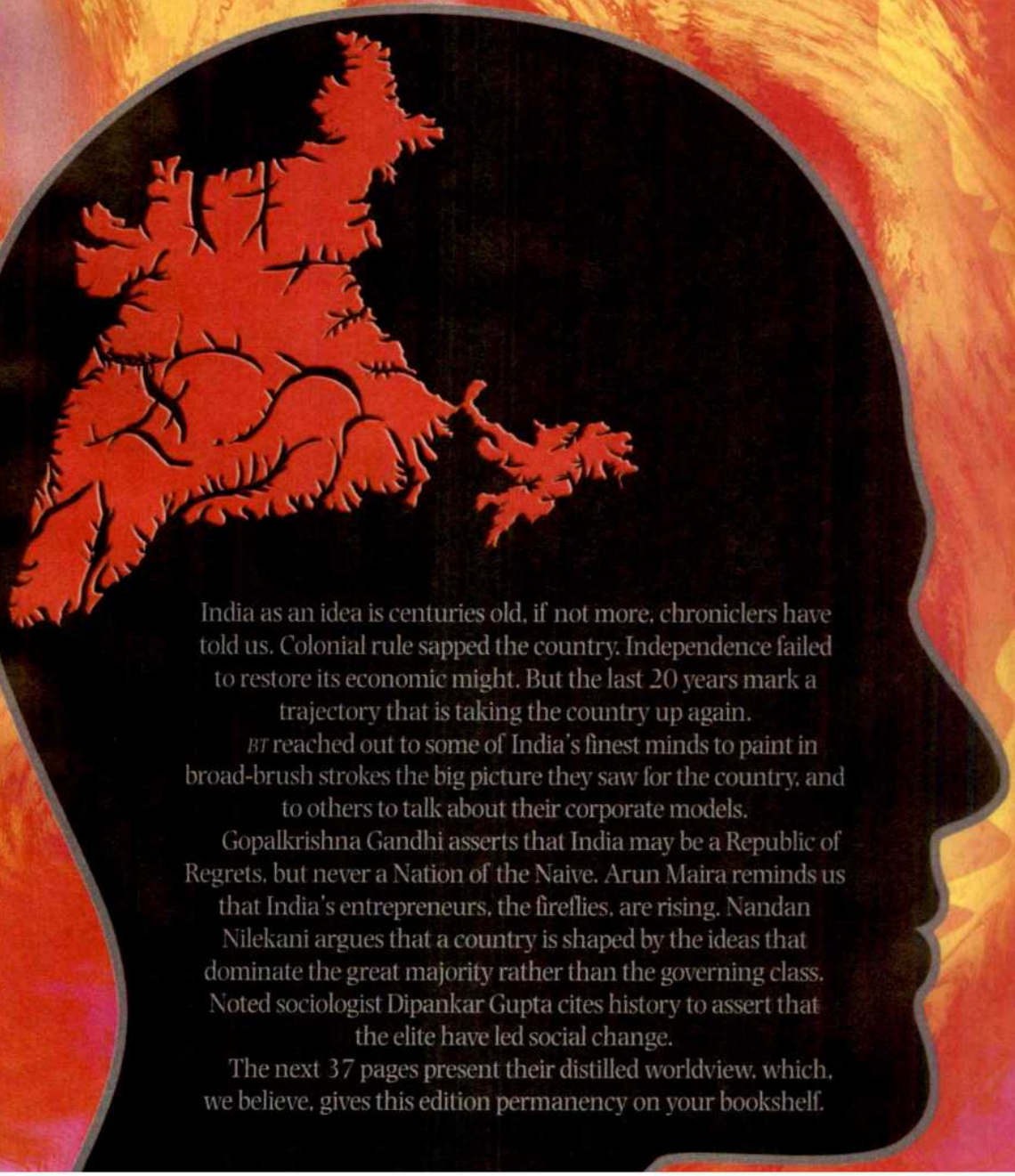
Amway™ We're listening

INDIA TODAY Making Sense of India

Rules & Regulations

This contest is being jointly organized by Living Media India Limited and Amway. Hard copy entries may be sent to : INDIA TODAY – AMWAY EMERGING WOMAN ENTREPRENEUR AWA Contest, Mr. Sameer Gupta, India Today Group, 9th Floor, Videocon Towers, Jhandewalan Extension, Delhi 110055. Email entries must be sent to emergingentrepreneur@intoday.com. Ea entry must be under 500 words. Entries are subject to verification and proof may be requested at any point in time. All entries received will be the property of the organizers and may be used any part or whole, form, manner in print or digital. Please include the following information with every entry :Name, Date of Birth, Full Address, Email Address and Phone Number (landline o mobile) on the entry submitted. Last date for submission of entries is January 4, 2011. An eminent editorial board will judge the entries and shortlist the winner. Their decision will be final and bindi No correspondence will be entertained on their decisions. In case of any legal dispute, the case will be admissible in the competent courts in the jurisdiction of New Delhi. Conditions apply.

INDIA ON THE MIND

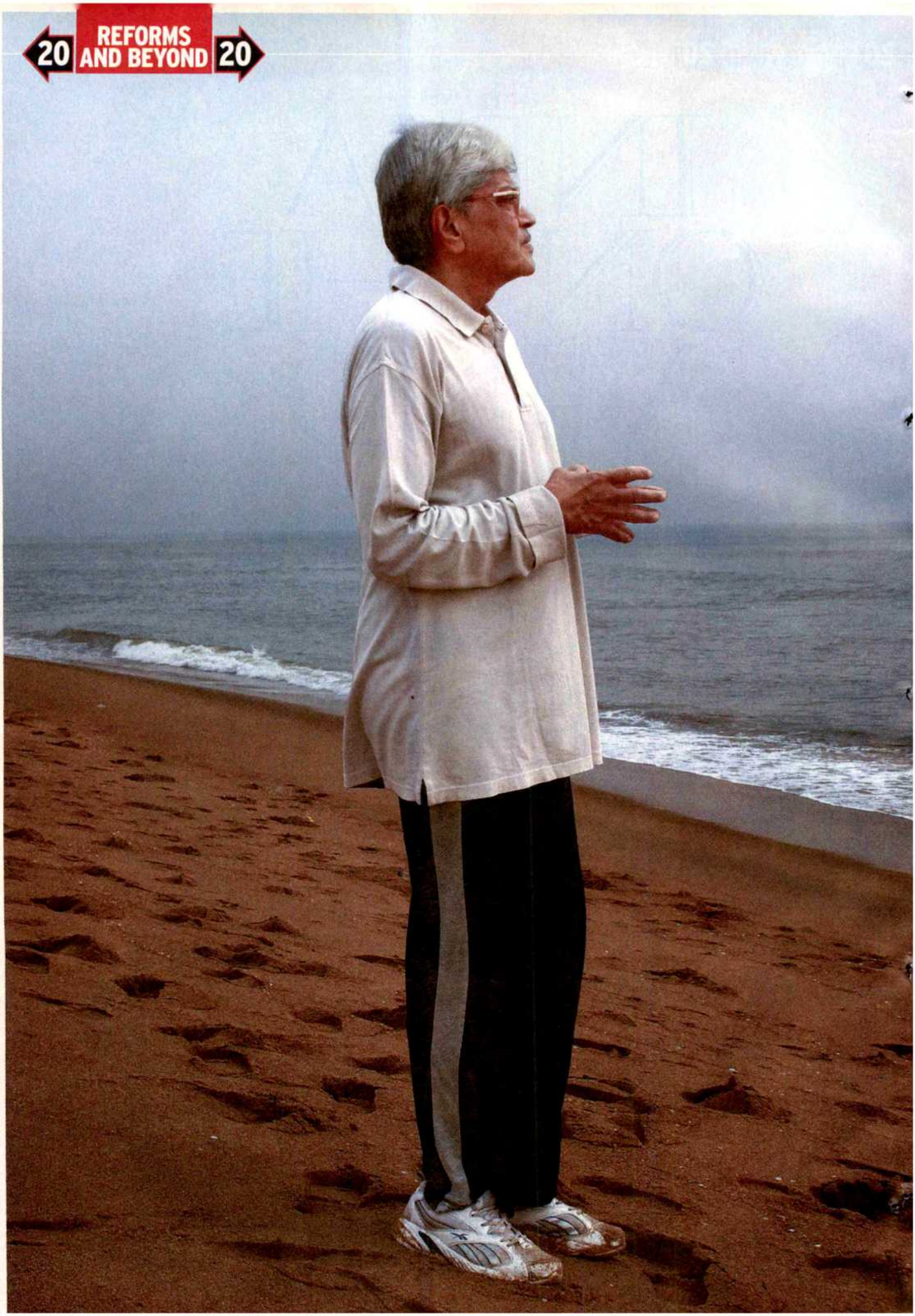


India as an idea is centuries old, if not more, chroniclers have told us. Colonial rule sapped the country. Independence failed to restore its economic might. But the last 20 years mark a trajectory that is taking the country up again.

BT reached out to some of India's finest minds to paint in broad-brush strokes the big picture they saw for the country, and to others to talk about their corporate models.

Gopalkrishna Gandhi asserts that India may be a Republic of Regrets, but never a Nation of the Naive. Arun Maira reminds us that India's entrepreneurs, the fireflies, are rising. Nandan Nilekani argues that a country is shaped by the ideas that dominate the great majority rather than the governing class. Noted sociologist Dipankar Gupta cites history to assert that the elite have led social change.

The next 37 pages present their distilled worldview, which, we believe, gives this edition permanency on your bookshelf.



Gopalkrishna Gandhi, Former Governor, West Bengal

NEVER A NATION OF THE NAIVE

The intelligence of its simple people will keep India's stature unsullied, despite challenges

In his new anthology of writings from figures in modern Indian history, Ramachandra Guha has included one from a man who looked at things darkly, through heavy-tinted glasses. Those also seemed to use magnetic resonance imaging to reach facts. Inconvenient facts.

Chakravarti Rajagopalachari wrote 50 years ago, in 1961, the high noon of Nehruvian socialism:

"I want the dense permit-licence fog not to sit on us. I want statism to go and Government reduced to its proper functions...

"I want the inefficiency of public management to go...

"I want the officials appointed to administer laws and policies to be free from the pressures of the bosses of the ruling party...

"I want an India where the peasants are not intimidated or beguiled into giving up their lands...

"I want an India where the budget of the Centre does not cause inflation and soaring prices...

"I want the money power of big business to be isolated from politics. Democracy is hard to be worked and it should not be ruined by money power and rendered into a simulacrum by expensive elections and big business supporting the ruling party with funds in return for privileges...

"I want India to regain her moral stature abroad..."

He wrote frankly and administered warnings clearly, though he was given to using out-of-the-way words that sent the reader to a dictionary.

When CR wrote those lines, "statism" was only 15 years old. But it seemed like it had come for good. Even that far-sighted man did not foresee that the Congress itself, some 30 years down the line, led by a grandson of Jawaharlal Nehru and then by a cerebral south Indian prime minister aided by a world-class economist as finance minister, would want to dismantle the permit-licence raj.

Today, after 20 years of "reforms", with that finance minister into his second term as Prime Minister, would CR be joyous? Or, like Jagdish Bhagwati, joyous in great part?

CR's imaginary response is not, however, the point. He has said his piece, striven and suffered for his convictions and gone, with a liberal democrat's heart beating strong, to his well-deserved rest.

The point is: How and what are we doing?

The permit-licence fog has gone. But has not a smog taken its place? Being choked cannot be preferable to being constricted.

MARTIN LOUIS/www.indiatodayimages.com

Gopalkrishna Gandhi, Former Governor, West Bengal

ILLUSTRATIONS BY RAJAT BARAN

The reforms have generated enterprise, but have unleashed a scramble. For the...fruits before they are quite ripe

Who can deny that governance — to call "public management" by its current name — is under the severest strain?

Almost every major city and town groans under power cuts, erratic supplies of potable water, high and low tides of garbage, ageing sewers lying close to water-lines, sub-standard, pavement-less and filth-edged roads, murderously chaotic traffic that includes a daily injection of new two-wheelers and automobiles, scandalous levels of air and sound pollution, rapacious demolitions and constructions by money-spinning "developers".

And every urban agglomeration is host, unwilling perhaps but helpless, to underground and often over-ground Mafiosi.

"Inefficiency of public management" would be an anaemic phrase to describe governance in India after 20 years of reforms.

The public is no less and often more to blame than its "managers". It has ceased to care, seduced by the allurements of middle class lifestyle sops held up by hire-purchase and micro-credit regimes.

And as to "officials appointed to administer the laws", one has to only rewind the tapes, literal and mental, of the inter-toothed wheels of party bosses, houses of commerce and the cloisters of the administration to see how the momentum works.

Not even the most ardent champions of free enterprise in what was the Swatantra Party could have quite foreseen the unregulated packaging of land and resources into special economic zones, or SEZs, and their "investment kits".

CR had spoken of a post permit-licence India where peasants are not intimidated or beguiled into parting with land. Who is there today who would have things to say, simple but hard things, not just to government, not just to the investor, and not just to the agitators against those projects but across the board, about Nandigram, Singur, Posco, Vedanta, Lavasa? Who can tell governments, "Giving incentives is one thing, pauperising the common weal is another"? Tell investors, "Being ambitious is one thing, being rapacious is another". Tell opponents of SEZs and such enterprises, "Rage against exploitation, not against enterprise".

There is none. Or, to be charitable to ourselves, there are but a few.

For, in the plaintive words of Faiz Ahmad Faiz, *Sheher-e-jaanaa mein ab baa-safaa kaun hai ?* (Who else is sacrosanct in this city of beloved?)

The unshackling of reforms has generated enterprise, but has unleashed a scramble. A scramble for the seed-bed before it has been readied for the hoe, for the seeds before the earth can receive them, for the fruits before they are quite ripe, for the produce before it has been analysed. For quality, for quantity and for questioning when neither quality nor quantity are right.

The reforms have led, as they should have done, to accelerated growth and therefore to more money in hand than there has ever been before. But it flows more in the invisible Saraswati with its catchment in elections, than in the Ganga.

This is the open secret of our reforms' underside. It is "open", for no one in an Indian village can be left out of a wedding. Some get the steaming dish, some the cold leavings. But everyone gets something. And India remains one vast village. United in the fact of its thirsts. Divided in its quenching of it.

Three score and three years after she freed herself, India is a Democracy of Divided Dreams. She is a Republic of Regrets.

But she is not, and cannot ever be taken to be, a Nation of the Naïve.

The *zaalim* of deceit and the *djinn* of hypocrisy can get away once, they can get away twice. But the Great Indian Village, well served by the intelligence of its simple people and by constitutionally-empowered whistleblowers, can be trusted to keep its faith higher than its fears, and its stature unsullied. ◆

Quality is

Quality forms the
DNA of CG. Through
our range of offerings,
we enhance
the quality of life.

Time and again.

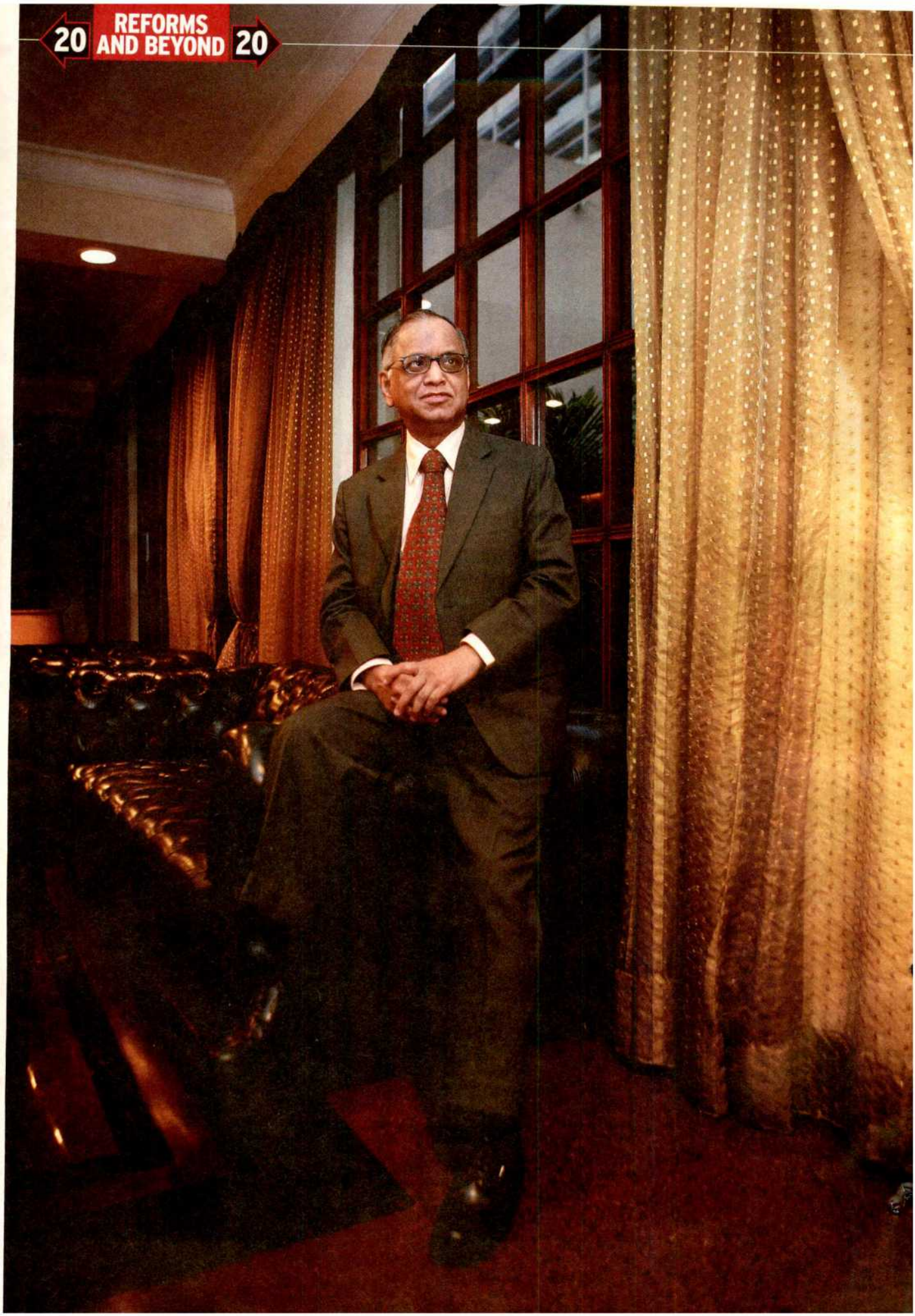
www.amccreative.co.in

AVANTHA
GROUP COMPANY

Crompton Greaves Limited
CG House, 6th Floor,
Dr. Annie Besant Road,
Worli, Mumbai 400 030, INDIA
T: +91 022 2423 7777
F: +91 022 2423 7788
W: www.cgglobal.com

Smart solutions.
Strong relationships.

Transformers • Switchgear • Power Quality • Motors • Alternators • Drives • Railway Signalling • Fans • Appliances • Lighting • Pumps • Security Solutions & Home Automation



N.R. Narayana Murthy, Chairman, Infosys

A LEAD ON GROWTH

Best practices from India's most respected company on building a leadership pipeline

I still remember that day in early 1964 when my father, a high school teacher, was highly distressed at dinner. Dinner time was when the entire family listened to his weighty school-teacher-type pronouncements on the news of the day and the continuum of progress the country was making. He was a great fan of Jawaharlal Nehru and was very optimistic about the future of the country. After dinner, I went to my mother and asked why father was so sad. She talked about Nehru's sickness and how it had upset father since he was worried about the future of the country. I, too, was distressed since we rarely saw our father in such a mood. That was when my grandmother, a hardly-literate but very clever woman, told her son not to worry — after all the country had survived Rama, Krishna, Buddha and Gandhi.

My grandmother's words are as true today for a corporation as they were then for our nation. Men may come and men may go but corporations should go on forever. Corporations should be designed to survive the loss of giants as well as the misrule of despots. GE has survived the exit of legendary Jack Welch and has, indeed, gone on to greater heights under the current CEO, Jeff Immelt. Goldman Sachs has become stronger under Lloyd Blankfein than it was under Hank Paulson.

Nearer home, Reliance Industries has expanded several times under the leadership of Mukesh Ambani after the demise of his legendary father, Dhirubhai Ambani. Ratan Tata has transformed the group of Tatas in a way not imagined. Kumar Mangalam Birla, the shy and self-effacing son of another corporate giant — Aditya Birla — has gone on to extraordinary achievements. Hindustan Lever has made rapid progress even after rare business leaders like Prakash Tandon, Ashok Ganguly and Vindi Banga have left that great institution. It was thought impossible to step into the shoes of N. Vaghul of ICICI but K.V. Kamath did such a brilliant job that only another star like Chanda Kochhar could even dream of emulating his success.

What is it that the departing leaders of

SHEKHAR GHOSH/www.indiatodayimages.com

N.R. Narayana Murthy, Chairman, Infosys

My grandmother, a hardly-literate but very clever woman, told her son not to worry — after all the country had survived Rama, Krishna, Buddha and Gandhi

these corporations did to ensure that their companies did not trip up when they left the scene? They realised pretty early that their success depended on how well they could create a cadre of future leaders to handle higher revenues and profits, more customers and employees, challenges of innovation and competition, and ever increasing expectations of the society. They created systems for recruiting the best talent from universities and for training these people to aim high, take tough decisions, handle dilemmas, pursue values steadfastly, get their people to reach for the stars, reach out to society, and handle the ups and downs of business with equanimity.

They then chose the most promising ones amongst these employees to climb the corporate ladder fast, and gave them opportunity to exercise these skills while providing a safety net for them. They evaluated their wards constantly, applauded them on their strengths in public, gave constructive feedback on their weaknesses in private, and pushed them constantly towards 'stretch targets'. They mentored their wards and built confidence in them to handle tough situations.

While flashes of extraordinary leadership that one sees in a corporation from time to time are indeed important, what is even more important is the institutionalisation of sound, robust and sustained leadership for all times to come. Such institutionalisation can only happen with a philosophical foundation of values, an awe-inspiring time-invariant and constant-invariant vision, and creation of institutional memory, training, systems, processes, checklists, tools, rewards and penalties.

Let me describe how we, at Infosys, have grappled with these challenges. These ideas may have changed slightly in the last decade since my departure as the CEO but the core remains the same.

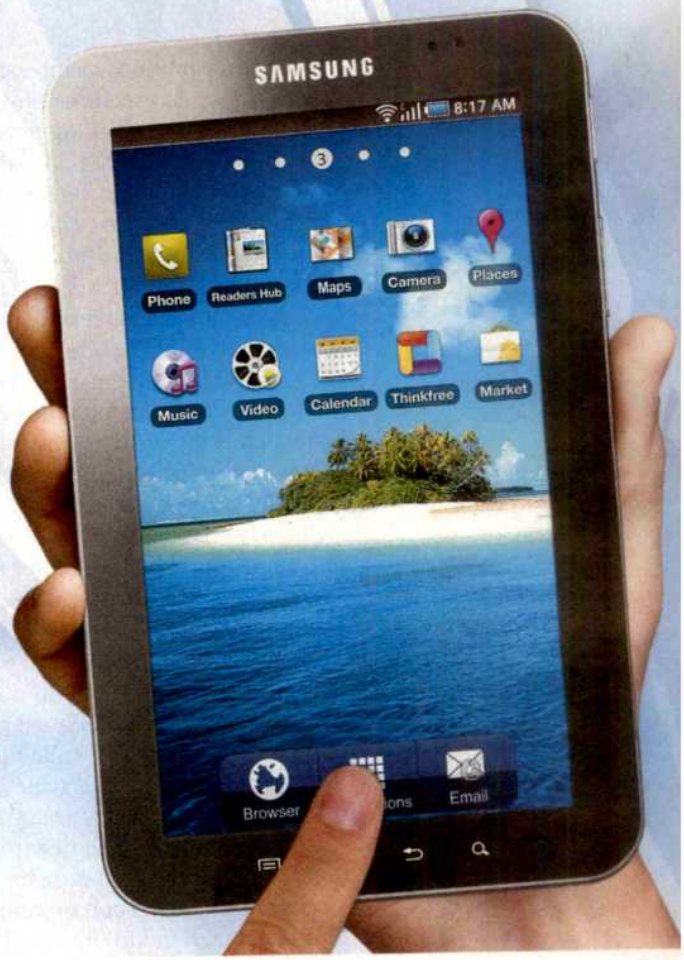
Our leadership development is predicated on three tenets. First, we believe that our company is our campus, a place for constant learning. Constant learning is at the heart of our success. Therefore, we have created an environment of openness, meritocracy, pluralism, discussion and debate which are the hallmarks of a university campus. Second, we believe that our business is our curriculum. Leaders have to understand their context well so that they can excel in it and, indeed, transform it to be successful in the next higher orbit. Therefore, it is very important that they are taught the opportunities, challenges, dilemmas and nuances of our business. Third, we believe our leaders are our teachers. Any effective leadership training requires authenticity and credibility of the teachers and of the case studies they use in the class. Therefore, at Infosys, every leadership course is taught only by internal leaders who have lived through these situations.

We have three tiers of leadership at the company. Tier I leaders are about 50 in number, are just below the board and are from the top management cadre. These leaders are selected after extensive evaluation of their performance and intensive interviews by internal directors. The next level has 150 leaders. They are selected from among the senior management and some extraordinary talent from middle management. These leaders are chosen by Tier I leaders and a couple of internal members of the board. Tier III of leadership has about 450 leaders chosen from the middle management. They are selected by a group consisting of Tier I, Tier II and at least one internal member of the

SAMSUNG

AIRCEL

New 7" Tablet Samsung GALAXY Tab on Aircel



More possibilities on the go with Aircel data plans and in-built PocketInternet™

Enjoy a world of possibilities on Samsung Galaxy Tab. Let your Tab work smarter for you with Aircel data plans and in-built PocketInternet™ for 6 months. It's time to start tabbing.

Web Browsing with Flash 10.1 | GPS Navigation | Android™ 2.2 | Video Conferencing | Multimedia and e Book Reader

aircel.com

Conditions apply. Above offer available on postpaid with PocketInternet™ usage up to 1GB per month.
Prepaid subscribers can enjoy PocketInternet™ usage up to 9GB within 3 months.
Android and the Android logo as well as Android Market Logo, Google Maps and Places are trademarks of Google, Inc.
For Galaxy Tab Hardware related queries, please contact Samsung at 1800 1021117 or log on to www.in.samsungmobile.com/galaxy_tab

We are all human and commit mistakes. There is no reason why the younger leaders should not have the same opportunity to learn from their mistakes. But, we cannot condone any transgression of the fundamental values of the company

board. The continued membership of any of these three tiers requires that the chosen leader performs according to expectations. If a leader fails to perform for two consecutive years, then he or she is out of the programme but will have the opportunity to come back into the programme again through high performance.

Once the leaders are chosen, they come under the care of the Director of the Infosys Leadership Institute (ILI) and are nurtured very carefully through training programmes and mentoring sessions designed by it. The focus of training at ILI is on developing leaders who achieve the plausibly impossible, who raise the aspirations of their teams, who are generous in making their teams look an inch taller, and who become the champions of Infosys values. They are taught leadership challenges, people skills, strategic thinking, execution excellence, thought leadership in technology and business, and relationship building. They are taught to become comfortable in handling moral dilemmas, negotiating across cultures, communicating negative news to bosses and subordinates, being optimistic and confident in difficult situations, balancing budgets, handling the media, demonstrating social responsibility and commitment to sustainability. In addition, they are also taught courses on finance, sales, HR, branding, software project management and consulting. Every chosen leader goes through 15 days of training each year. The Tier I and Tier II courses are taught by the internal board and the CFO.

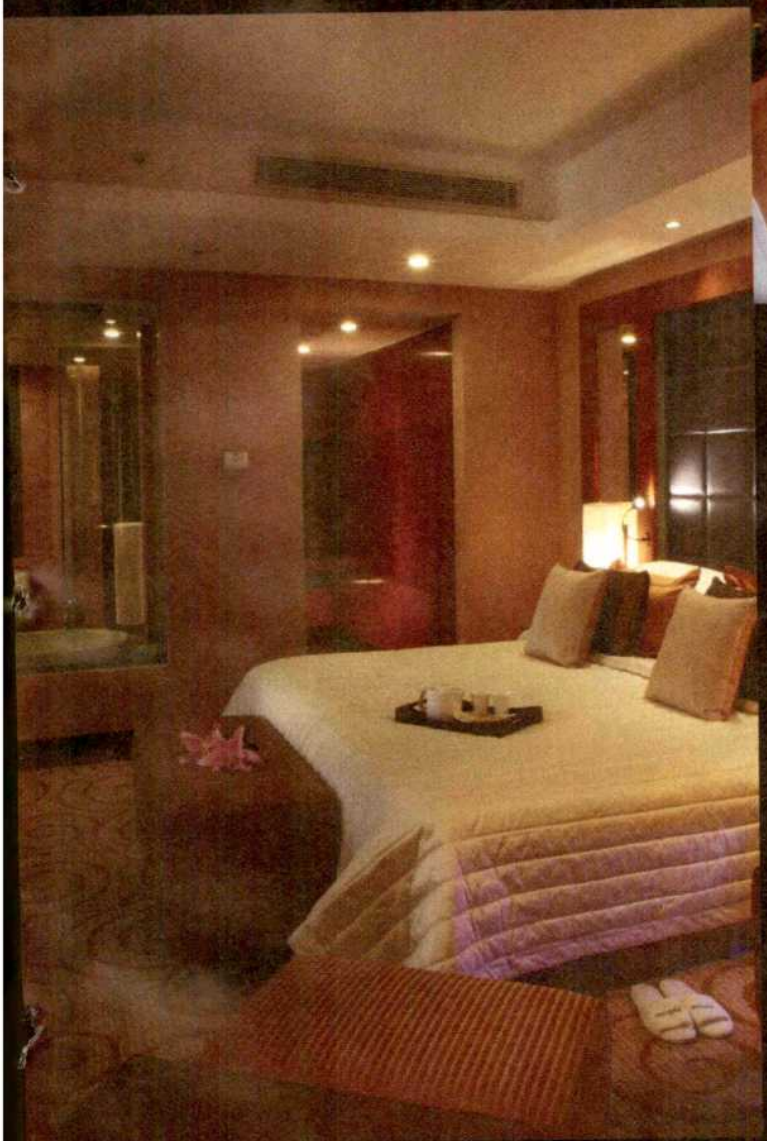
I teach a course titled: *Leadership — My Style, My Beliefs and My Convictions*. Using Infosys case studies from the days of its founding to the current, I discuss how Infosys leaders have demonstrated the attributes we expect of the young leaders. Classes are full of discussions, debates and, sometimes, disagreements. Participants are encouraged to present their points of views, no matter how heretic they are. The participants learn that there is no right or wrong answer, but that there is only an appropriate answer for a given situation. In addition, each participant is given an assignment on how he or she would handle a specified tough situation if he or she were the CEO.

An important instrument of leadership development at Infosys is leadership by example practised by senior leaders, who act as role models for exemplary behaviour. In a knowledge company like Infosys, our youngsters are bright and educated. They observe keenly, collect data, analyse, come to conclusions, and act. Therefore, it is extremely important that the senior people at Infosys demonstrate integrity of thought and action in every transaction. There is no better way of doing it than leading by example, practising the precept, and walking the talk.

Another important instrument used at Infosys for leadership development is mentoring. The mentee chooses his or her mentor rather than the mentor choosing the mentee. It is an open, voluntary and private relationship. A mentor is not the immediate or 'skip-level' boss of the mentee since we do not want any corporate hierarchy to inhibit the mentee from expressing his or her problems and dilemmas openly. Generally, a mentor is advised to limit his or her mentoring to six or seven mentees since mentoring involves considerable time.

I must admit that the leadership journey has not been without hiccups at Infosys. Some of our leaders have committed huge mistakes. I have committed many mistakes in my career. We are all human and we commit mistakes. There is no reason why the younger leaders should not have the same opportunity to learn from their mistakes. However, we cannot condone any transgression of the fundamental values of the company. With this proviso, we should provide a safety net for budding leaders to reach for the stars, to take tough business decisions and make judgment calls even at the risk of possible failure. This is how we raise the confidence of budding leaders to do extraordinary stuff since they know that their elders are standing by for any advice, cheering them from the sidelines, and ready to provide a soft shoulder to cry on if necessary. This has been the story of leadership transition at Infosys. ◆

CELEBRATING THE EXCITING NEW RADISSON HOTEL DELHI



Five new stunning facilities at Radisson Hotel Delhi promise a refreshing welcome

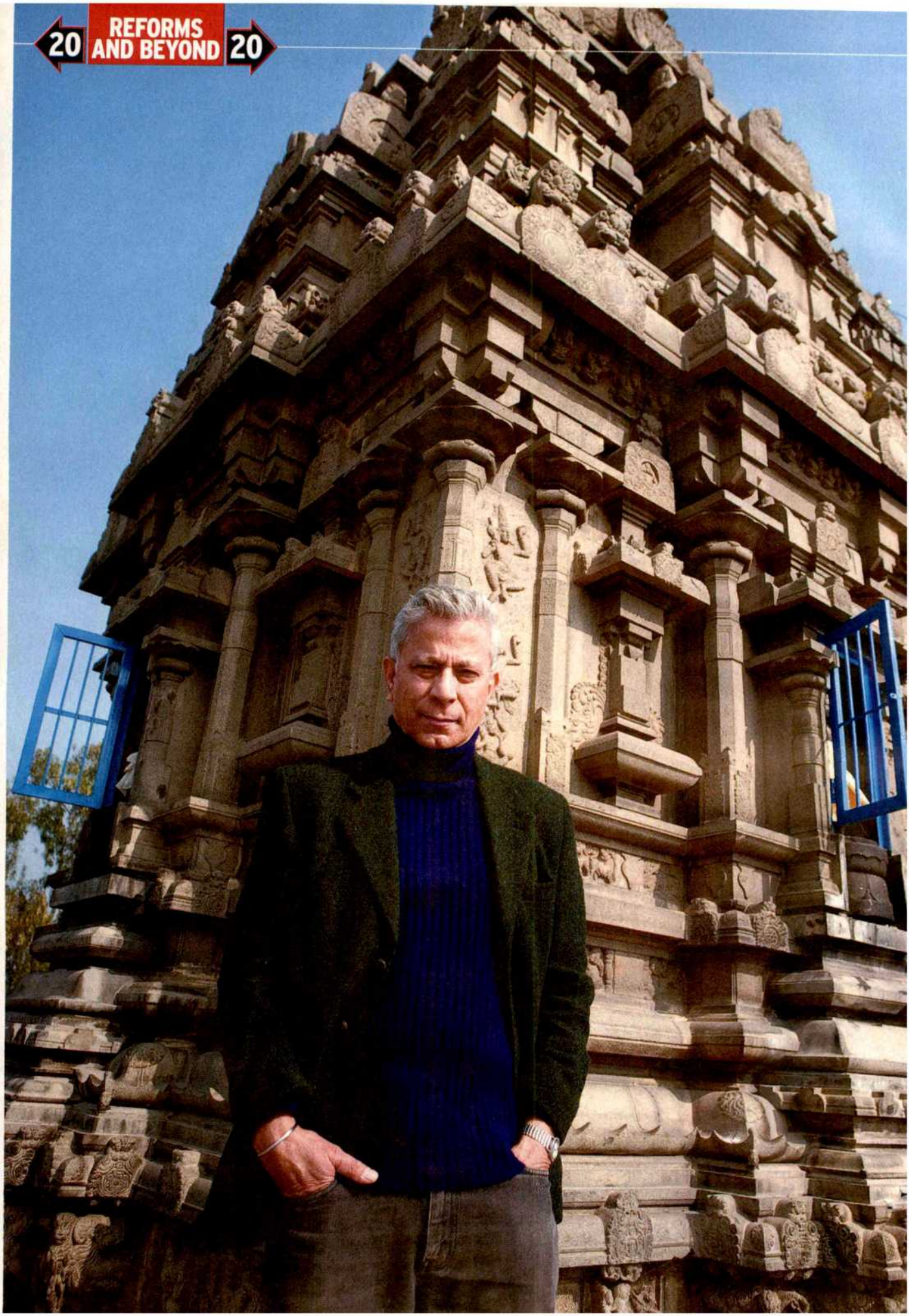
The Great Kabab Factory, where the kabab is still the king, promises a greater factory experience. The chic new NYC featuring an interactive kitchen, a sumptuous buffet spread and a world of choices invites you for a tantalizing treat. Lose yourself in the three new levels of relaxation, rejuvenation and replenishment at R-The Spa. Contemporary and elegantly designed rooms make conducting business a pleasure at Radisson. And that's not all! Delicious flavours, hot spices and appetizing aromas from the land of France, Spain, Italy and Morocco welcome you for a Mediterranean feast at The Med. Boasting of a lavish bar, and a luscious Tapas Lounge, this spectacular new restaurant gives you one delectable reason after another to indulge!

A delicious new experience awaits you at Radisson.

ASIA'S LEADING AIRPORT HOTEL, 2010

RADISSON HOTEL DELHI,
NATIONAL HIGHWAY 8, NEW DELHI 110037,
PH: 91-11-26779191 TOLL FREE NO. 1800 1800 333 (India)
Website: www.radisson.com/newdelhiin

Radisson
HOTEL DELHI



Dipankar Gupta, Senior Fellow, Nehru Memorial Museum & Library

FOR AN ELITE REVOLUTION

The 'elite of calling' must take the lead in framing the social agenda

It is a lie to argue that in a democracy, leaders frame policies after listening to the people. If that were the case then there would be no income tax. That is one thing nobody wants to pay!

Nor for that matter would there be laws against child labour, or for minimum wages, or for public education and health. These measures first saw light in Europe and Britain not because of popular pressure or mass mobilisation. They came into being because leaders, many of them aristocrats and business magnates, fought for them. By thinking of society as a whole — not just of the poor, or the rich — the elite in these countries actually brought about a revolution.

We, too, need an elite revolution, and rather urgently, for our democracy to work. When it comes to consumption, the Indian elite aspire to be like their European counterparts, so why not buy in as revolutionaries too? The elite alone can rise above narrow, immediate concerns and think "society". Only they can realistically set the direction of development, but they could also, quite as easily, set the clock back. The poor are too miserable to think beyond their next meal, and the middle class is obsessed by real, or imagined, threats to their status.

Yet, not any kind of elite will do. It is not the business elite, the professional elite or the political elite that is relevant here. What we need is an "elite of calling". No doubt, the "elite of calling" will be drawn from the ranks of the established elite, yet they are exceptional individuals in that they can see the big picture. They may be philanthropic, well-connected and affluent, but that does not define them entirely.

What separates the "elite of calling" from other elites is that they force the state to deliver public services such as health care, education and energy, at quality levels, to every citizen regardless of class. They know that any programme that is aimed at only the poor is bound to fail, whether it be the Antyodaya of yesterday or the National Rural Employment Guarantee Act of today. Nor would this "elite of calling" subscribe to chamber-of-commerce like recommendations that benefit only the moneyed and the privileged. Instead of advocating that wealth should "trickle down" they would rather it be "pushed up".

Walt Whitman had once said: "Produce

VIVAN MEHRA/www.indiatodayimages.com

Dipankar Gupta, Senior Fellow, Nehru Memorial Museum & Library

RAJAT BARAN

Nowhere do common people initiate projects of national significance. In a perfect democracy they would come in later to judge the leaders with their votes

great men and the rest will follow." This adage has certainly passed the test of time. Here is a list of some great men, the "elite of calling", and what they did.

Earl Grey steered the Factory Act in Britain in 1833, ably helped by Michael Thomas Sadler, a big industrialist. Robert Peel, the aristocratic British Prime Minister, lost his job for he fought too hard against the Corn Laws. When he eventually saw it through, he handed much of the credit to Richard Cobden, a leading trader and businessman. Likewise, the 1837 Education Bill in Britain was presented by Henry Brougham, who was again a big landlord, and once Lord Chancellor.

The more comprehensive Elementary Education Bill of 1893 was guided by William Edward Forster, nephew of Sir Thomas Fowell Buxton and brother-in-law of Mathew Arnold. Benjamin Disraeli, who had a Cabinet full of crusty aristocrats and industrialists, established the 1874 Factory Act as well as the Artisans Dwelling Act of 1875. Richard Cross, a large landowner from Lancashire, initiated the first major Bill on public health in Britain. In 1878, Disraeli's government enlarged the Factories Act and Lord Shaftesbury worked hard to see it through.

The list goes on. But what is remarkable is that none of these measures were in the immediate interest of the "elite of calling", but they believed in them for the sake of the society. As a consequence, for the longest time now, quality public health care and education are holy cows that no European government would dare sacrifice: not even under American pressure.

The elite make good revolutionaries too. Lenin's father, Ilya Nikolayevich Ulyanov, was a near-aristocrat with an important position in the Russian court. Angel Castro was one of the biggest sugarcane planters of Cuba who did brisk business with America. He was also Fidel's father. Mao Zedong was a middle class professional, but he was buoyed by true blue elites like Ye Jianying, Lin Biao, Nie Rongzhen and Zhou Enlai.

Therefore, whether it is the Left or the Right, it is the elite that calls the shots. But if we are convinced, as we seem to be, that democracy is the best way to get ahead, then we must take a leaf out of the European experience. We must be careful not to take the whole book, for there are many blots in the history of Europe, even Western Europe. Surely, with the gift of hindsight we can avoid them. Why should we imitate the West when we can learn from them?

The most important lesson is that it is the elite everywhere who take the lead in framing the social agenda. Nowhere do common people initiate projects of national significance. In a perfect democracy they would come in later to judge the leaders with their votes.

Take India, for instance. Nehru did not seek mass consent when he hit out at communalists, nor when he set up the mixed economy, nor, indeed, when he requested America to build India's steel mills. Did Rajiv Gandhi talk to the masses before he reformed the Panchayati Raj institutions? Did Narasimha Rao have a hot line to the people when the 1991 liberalisation programme was introduced? Incidentally, did Kalmadi or Sheila Dixit get public approval before going headlong into the Commonwealth Games?

So, if the elite decide almost everything, it is they, and not the masses, who should take the blame for a dysfunctional democracy. It is they again who can deliver our society. But, for that to happen, an "elite of calling" must emerge. How much longer must India wait for the elite revolution? ◆

Experience life in **true** platinum

Open new doors of luxury with these class-leading features#:

- 5X Cash Points on Dining, Departmental Store & International Spends
- Upto 3 complimentary Kingfisher Airlines Return Tickets every year
- Gold Tier Membership of King Club – 3 Upgrade Vouchers & Bonus Miles
- World wide Airport Lounge Access
- Complimentary Lost Card Liability Cover of upto Rs. 1,00,000

Call today & get a Complimentary Return Ticket

KINGFISHER AIRLINES

To Experience Life in *True* Platinum

Call 39 02 02 02 or 1860 180 1290 (BSNL/MTNL lines)

Or Visit www.sbicard.com Or SMS PLAT to 56767

SBI Card

Make life simple

MA&CSAATCHI AD1201086

#Terms & Conditions Apply • The Kingfisher Airlines Tickets are base fare free only, taxes & surcharges will have to be borne by the cardholder • The King Club Gold Tier Membership is valid for the first year only, subsequent year tier will be determined by the tier qualifying criteria of the King Club program • For any further clarification, please call our helpline numbers 39 02 02 02 or 1860 180 1290

Excellence is not a one-time achievement. It's a habit.

VIT is rated among India's top 10 Premier Institutions for the 3rd year in a row and has moved up to the 8th position in India Today's survey of India's best colleges.

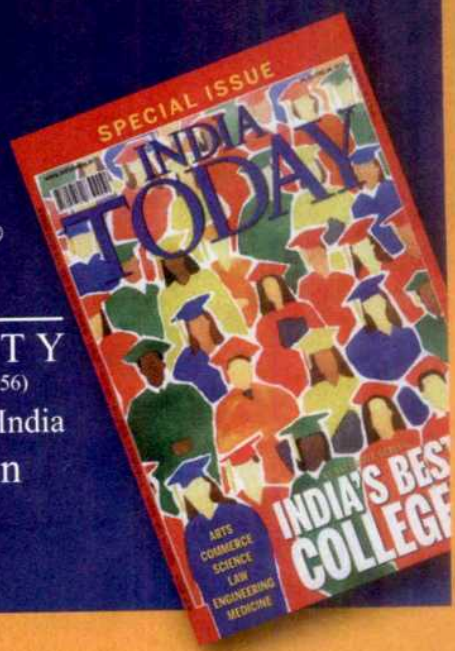
VIT®

UNIVERSITY

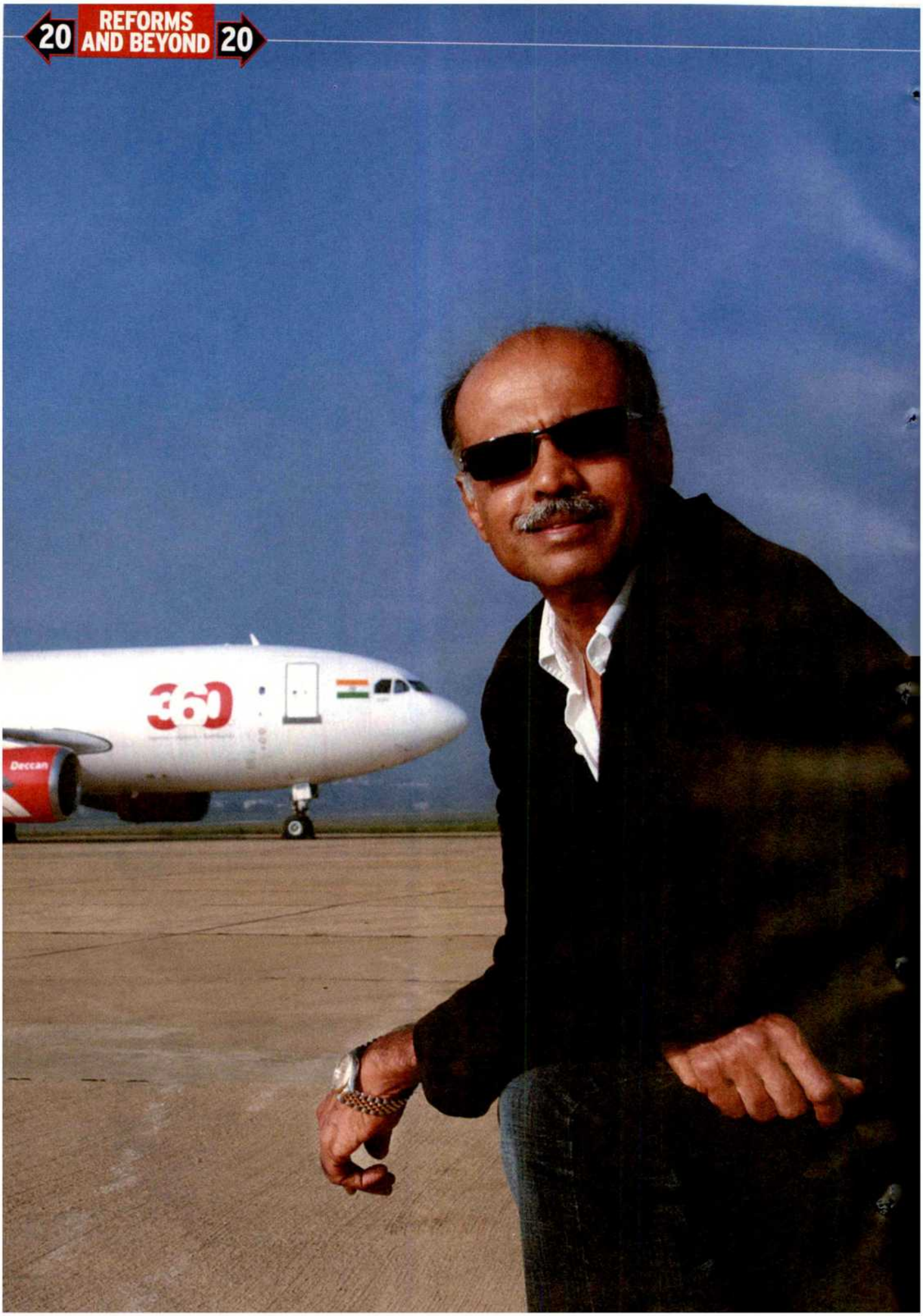
(Estd. u/s 3 of UGC Act 1956)

Vellore - 632 014, Tamil Nadu, India

www.vit.ac.in



At VIT, we are committed to our pursuit of excellence. A commitment that does not rest on consistency, but on bettering our performance year after year. Which is why, we are one of the most coveted private engineering institutions in India today. And the reason why we continue to be ranked among the top 10 premier engineering institutes of India.


Deccan

Captain G.R. Gopinath, Chairman, Deccan Logistics

HOPE LIES IN THE THIRD INDIA

The spirit of adventure and entrepreneurial energy will drive growth

Though the idea of 'India' is still a puzzle and though most agree that there are myriad Indias, I venture to suggest there are broadly three Indias today: the India of vast teeming multitudes mired in poverty, filth and living in sub-human conditions; the India of scams, scamsters, politicians, fixers, middlemen, and oligarchs; and the new entrepreneurial India.

I wish to speak on the third, the entrepreneurial India, which, in my opinion, will propel India in spite of the first two. This new entrepreneurial energy will probably solve and remove the problems and impediments of the first two Indias. But a few words on the first two. Ramachandra Guha, in his book *India After Gandhi*, begins with a poem by Ghalib written in 1827:

Said I one night to a pristine seer/ (who knew the secrets of whirling Time)/ 'Sir, you well perceive/ That goodness and faith, fidelity and love/ Have all departed from the sorry land./ Father and son are at each other's throat;/ Brother fights brother. /Unity and federation are undermined./ Despite these ominous signs/ Why has doomsday not come?/ Why does the Last Trumpet not sound?/ Who holds the reins of the Final Catastrophe?'

At around Ghalib's time, the American essayist Ralph Waldo Emerson wrote about America: "The young man, on entering life, finds the way to lucrative employments blocked with abuses. The ways of trade and politics are grown selfish to the borders of theft...and fraud.... The sins of our trade belong to no class, to no individual. One plucks, one distributes, one eats. Every body partakes, every body confesses...yet none feels himself accountable.... He did not create the abuse; he cannot alter it....Each requires of the practitioner a certain shutting of the eyes...a certain compliance..."

He goes on to narrate the sheer helplessness and despair of a young man trying to find and follow his true calling. So this degeneration is not new to India alone, in the historical context.

There is this pervading sense of helplessness and despair in India today among the young, who feel cheated and robbed of their dreams when they embark on seeking a job or

DEEPAK G. PAWAR/www.indiatodayimages.com

Captain G.R. Gopinath, Chairman, Deccan Logistics

Where there is want, hunger and unemployment, the entrepreneur can be king. India has all the raw materials for his enterprise

building a new future. It is the spirit of adventure, continued optimism and entrepreneurial energy that can create an India whose golden age is not behind but ahead of us.

It was an entrepreneurial economy that built America and many countries in Europe and destroyed feudalism. The reforms set in motion by Rajiv Gandhi 25 years ago and given an impetus by P.V. Narasimha Rao spawned a new, resurgent India. The old aristocracy was dismantled and a new economy came up on its ruins. It is true that some of the old aristocrats have been replaced by a few powerful business houses. But entrepreneurial drive and innovation have turned India into an enviable economic powerhouse in varied sectors — information technology, biotechnology, pharmaceuticals, engineering, design, mobile telephony, banking and financial services, automobiles and health care.

Entrepreneurs challenge the status quo. They create wealth — a new market, a new customer need. They change or transmute values. A simple set of ideas — a reforming India creating demand, absence of a private helicopter company, defence pilots without jobs — gave birth to Deccan Aviation in 1995. Again, the simple idea that "every Indian must and can fly" led me to set up Air Deccan, which pioneered low-cost civil aviation in India. Then there is Dr Prathap C. Reddy and Apollo Hospitals, Deepak Parekh of Housing Development Finance Corp and N.R. Narayana Murthy of Infosys Technologies. It was their vision and enterprise that spawned new ventures for others to follow.

Though the great companies born out of the reforms and the poster boys of enterprise have come to stand for modern India, it is the less glamorous industries, the millions of small-scale enterprises, which are the real wealth creators and transformers. As management guru Peter Drucker noted in the American context, they are all examples of "new technology"— entrepreneurship and entrepreneurial management.

Entrepreneurs have vision, or the "art of seeing the invisible". Generally, bureaucrats running public sector enterprises have opaque vision and do not even realise it. Dreams, optimism, energy, zeal and speed are the mainstay of the entrepreneur and more important than capital.

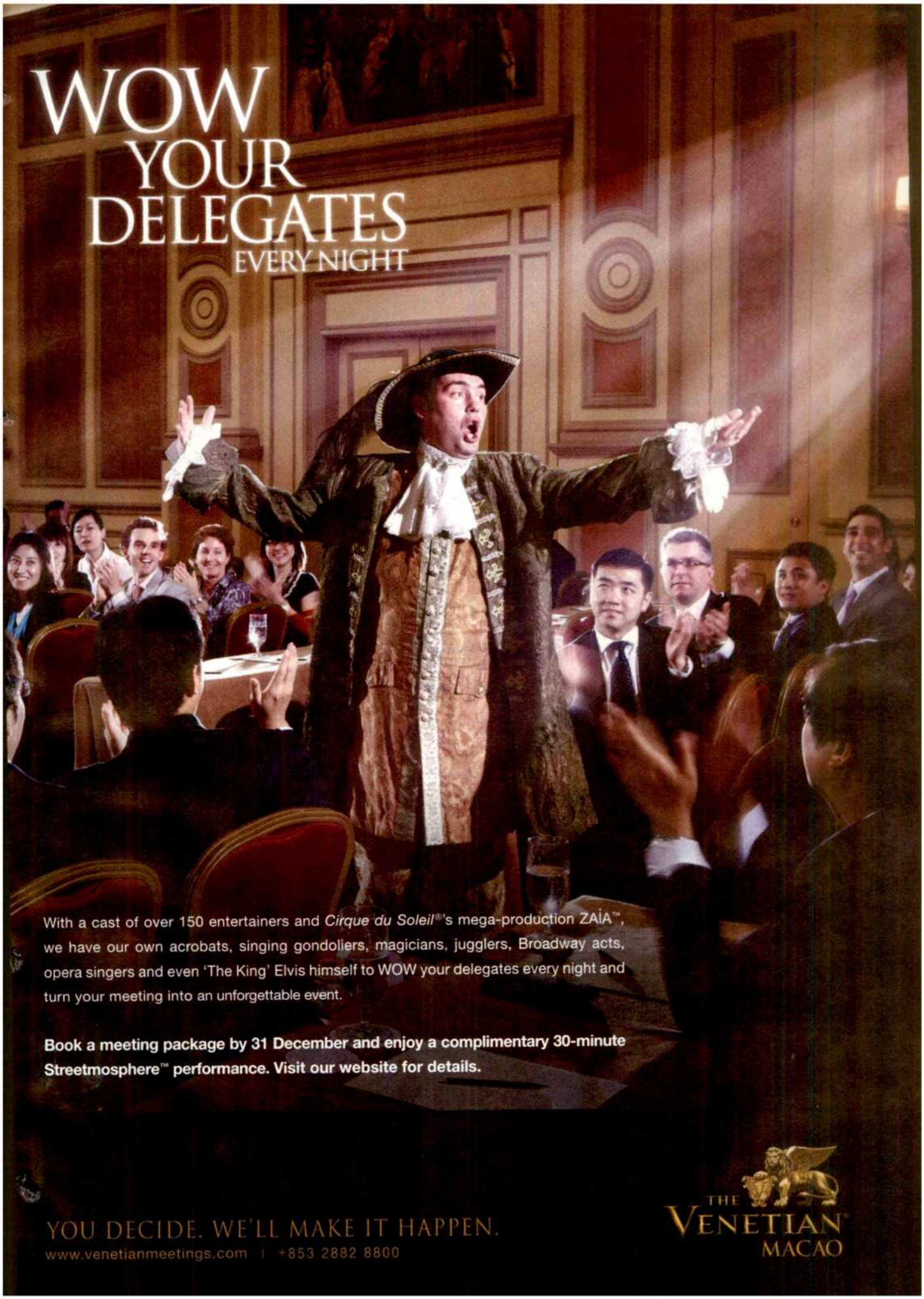
The challenge is how to create jobs in the 'other India'. If the 'new India' — with speed, greed and manipulation of the system — creates a dual economy of islands of prosperity in a sea of poverty, illiteracy and malnutrition, then we cannot have a stable and socially cohesive society.

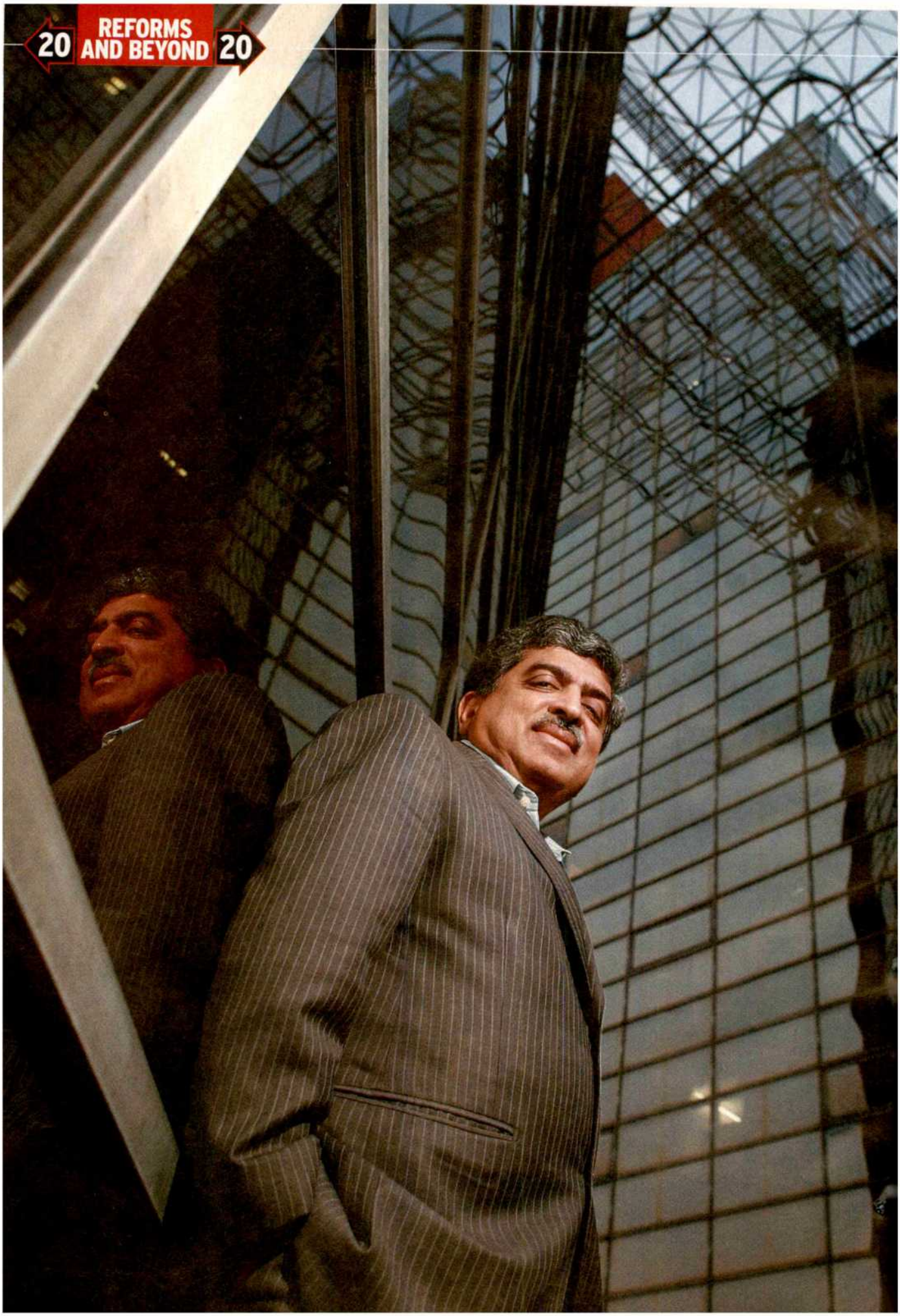
India has unbounded resources. Here in India are all the wealth of soil, of rivers and of mines and a billion-strong people with a common heartbeat and aspirations. How can we have poverty and illiteracy in India? Where there is want, hunger and unemployment, the entrepreneur can be the king. India has all the raw materials available for his enterprise.

Instead of complaining and being sceptical, the young entrepreneur must put his shoulder to the plough and engage the politicians and the bureaucrats to create the policies needed for equitable growth. We have to have the courage to take a stand and call for policies that encourage entrepreneurship, and allow privatisation but not cartelisation.

As Mahatma Gandhi said, we must become the change we want to see in the world. Our young men must obey their heart, follow their dreams and beat their own trail — a path of general justice, honesty and integrity.

Who should lead the 'leaders' but the young Indians, the new entrepreneurs, to deliver us from greed, nepotism, corruption and violence? 'Hope' is the mother of all reforms and the new entrepreneurs of India, with hope, courage, honesty and hard work can not only lead India to widespread prosperity but represent the aspirations and future of the world. ◆


WOW
YOUR
DELEGATES
EVERY NIGHT
With a cast of over 150 entertainers and *Cirque du Soleil*®'s mega-production ZAÍA™, we have our own acrobats, singing gondoliers, magicians, jugglers, Broadway acts, opera singers and even 'The King' Elvis himself to WOW your delegates every night and turn your meeting into an unforgettable event.
Book a meeting package by 31 December and enjoy a complimentary 30-minute Streetmosphere™ performance. Visit our website for details.
YOU DECIDE. WE'LL MAKE IT HAPPEN.
www.venetianmeetings.com | +853 2882 8800
THE VENETIAN MACAO



Nandan Nilekani, Chairman, UIDAI

MAKE OR BREAK IN NEXT 20 YEARS

India's response to a young, accessible, aspirational and mobile citizenry is key to sustainable growth

When it comes to predicting economic fortunes, what the crystal ball offers us is murky at best. From the perspective of the global economy, for example, 2010 turns out to be a sharp contrast of the world ten years ago. The global environment today is as cautious and conservative as it was economically freewheeling and optimistic in 2000. It serves as a cautionary tale against interpreting our present mood — economic or otherwise — to project the future.

Nevertheless, I would say that India finds itself in an enviable position. In the last decade, it has emerged as a prominent global force, and is predicted to become the fastest growing economy in the world over the next decade.

But it is possible for a country's promise to go unfulfilled. When we look at economic history, we are often biased towards countries that successfully leveraged their advantages for rapid growth — such as China, Japan, much of Western Europe and the United States. However, several other nations rose for some time and looked set to expand rapidly, before policy missteps deflated their growth. Brazil and Argentina, for instance, only recently regained the economic heights they first experienced in the 1970s and early 1990s after falling back sharply into recession. The path to development is a protracted one, and requires steadiness and responsive policy.

Over the last ten years, India has begun to build the foundation for long-term, inclusive growth. Industry investment is growing fast. Spending on infrastructure has expanded considerably, and the cumulative investment in infrastructure between 2007 and 2012 could touch $500 billion. India's telecom revolution has become a means of empowerment, and created a base for delivering information and remote services to millions of poor across India. Welfare initiatives have focused on creating an expanded social security net, and the delivery of critical services — in employment, education and health — has improved steadily.

Sustaining this progress, however, will require India to respond to the 'Big Four' forces that are today re-shaping the Indian economy.

The first of these forces is India's vast demographic dividend — its large pool of workers, and low numbers of dependents. These millions of young people undergird India's growth story, and set us apart from every

VIVAN MEHRA/www.indiatodayimages.com

Nandan Nilekani, Chairman, UIDAI

We are seeing India being re-imagined by people across the country as a highly dynamic, aspirational nation

other nation — by 2020 the average Indian will be 29 years old, compared to the average Chinese, who will be 37. In the next ten years alone, we will add 13 million people every year to our workforce. While the promise of such a young workforce is clear, we must also have enough jobs for it, as well as the systems to provide the workers with the skills they need to participate in the economy.

The second great force is India's large domestic economy, which displays deep, untapped potential — over 600 million people are in the "aspiring" class, who are now just beginning to see a growth in their incomes and starting to extend their purchasing power. The rise of such demand, and as a result the continuing expansion of the domestic economy, will be crucial to buffering India from shifts in the global economy.

The third force is the penetration of information and communication technologies, or ICT. The rapid spread of telecom connectivity and widespread access to television in India is one of the most potent changes to have taken place. It makes all the difference between following existing growth blueprints, and the chance to build an entirely new one. The government has declared 2010-2020 as the decade of innovation for India, and ICT will play no small part in this.

The Aadhaar initiative of the Unique Identification Authority of India, or UIDAI, suggests that governments have recognised the potential of these technologies. As a universal identity infrastructure, the number could be used to access food, health care and education entitlements anywhere in India. It could also be used to provide resources directly to the poor. Such Aadhaar-enabled delivery would be a powerful means of distributing a variety of services. It would help empower the poorest through stronger relationships with the State, as well as through establishment of direct channels for accessing resources and airing grievances.

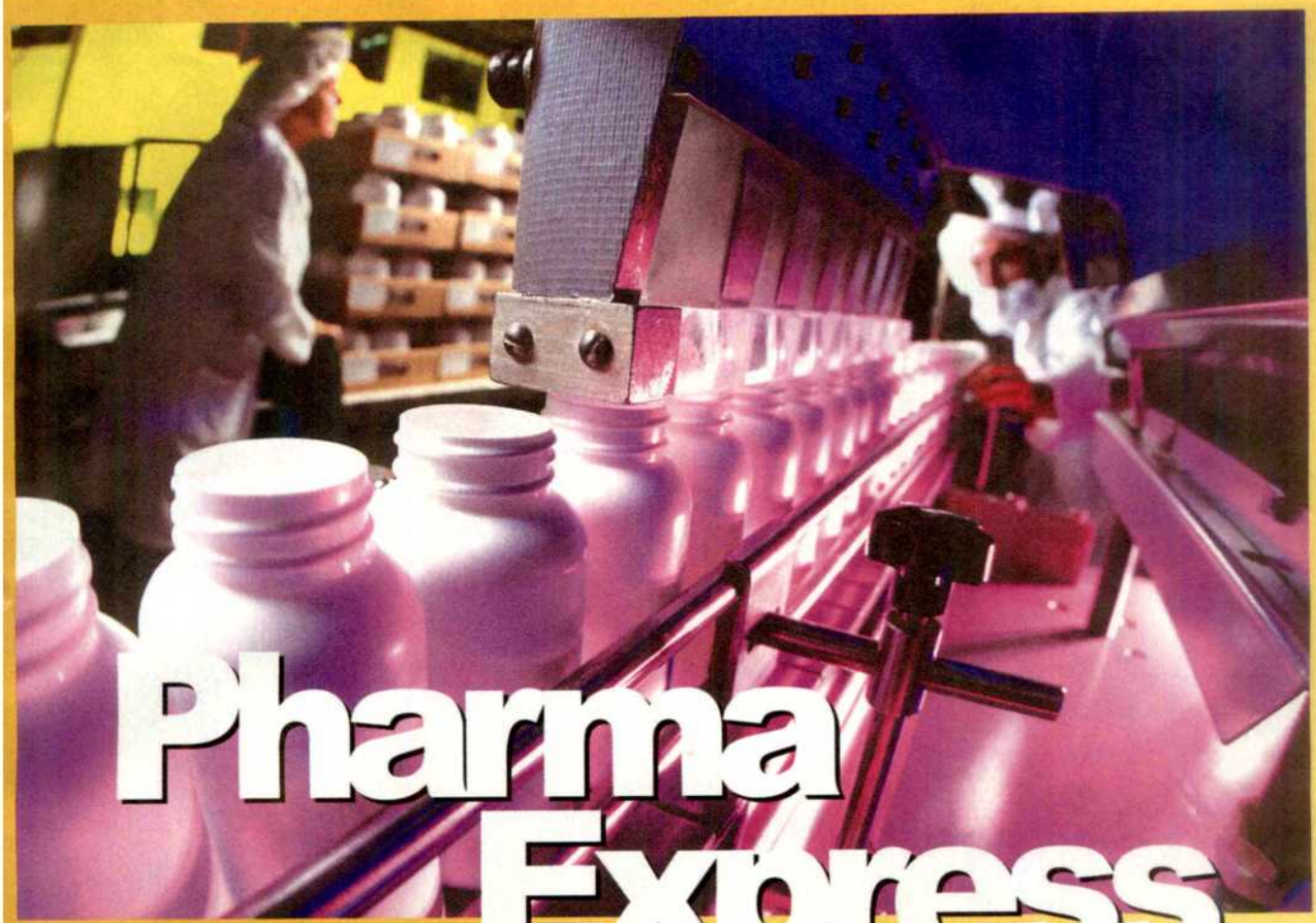
The fourth force is the rise in mobility. Across the country, thousands of people are leaving their villages every day to seek a new life in the city. They arrive with little more than a sack on their shoulders and a willingness to live in miserable conditions and work small jobs for the chance of better incomes, and a better future for their children.

India's cities, our runaway metropolises, are a metaphor of the opportunities and challenges the country faces in the next two decades. The Indian city is a place of dreams and hope for our poor and our migrants, but it is also a place where many have limited access, few rights and little legitimacy; where a large proportion of people live in illegal housing, and 70 per cent work in the informal sector.

Such systemic exclusion will have to change. While India has managed to drive growth through these informal mechanisms for the past few decades, the impact of the four forces means that this approach is no longer sustainable. Policies and investments will have to focus on ensuring broader, more inclusive access to formal markets and public services, and empowering people to exercise their rights and entitlements.

In his book *Imagined Communities*, Benedict Anderson asserted that nations do not exist as objective entities. Rather, they "imagine themselves into being". I had iterated this thought in my book, *Imagining India* — that a country is shaped by the ideas that dominate the great majority rather than the governing class. Today, we are seeing India being re-imagined by people across the country as a highly dynamic, aspirational nation, where empowerment and access to public services as well as markets are paramount.

Our ability to translate these hopes into reality will determine if our growth arc is a sustainable one, and if in 2030, we will be able to look back with a sense of accomplishment.◆



Pharma Express

To make life-saving drugs, you rely on specialists every step of the way. To deliver them, shouldn't you do the same?

Lives depend on two factors. One, the drugs you make. And two, their dispatch: getting them to pharmacies and hospitals as quickly and efficiently as possible.

Which is why TCI XPS offers you customized express delivery solutions of the highest professional standards by leveraging its experience, national and global network with connectivity through Air, Road & Rail and state-of-the-art infrastructure.

- Door-to-door service
- 13,000 delivery locations across India
- State-of-the-art tracking system
- 550 computerized offices
- A workforce of 3000 people
- International deliveries to 203 countries

MONEY BACK GUARANTEE

*Conditions apply

Assured delivery within 24 and 48 hours to a choice of 150 locations across India – or your money back!*

TCI XPS

EXPRESS DISTRIBUTION SPECIALISTS

Air | Courier | Surface

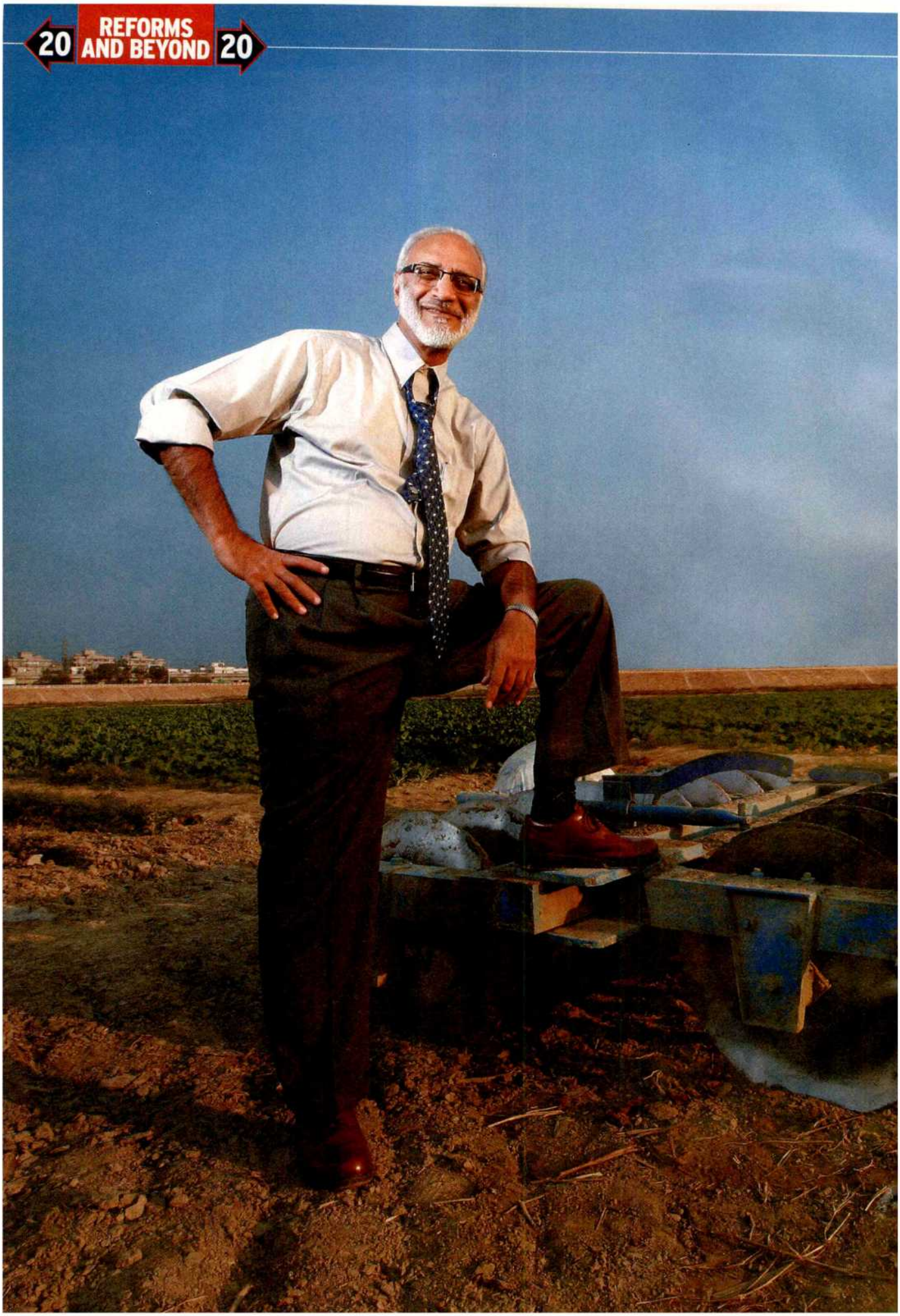
A Division of Transport Corporation of India Limited

IATA | TÜV SÜD

Only Express Company in India to be IATA and ISO Certified

Toll Free No. 1800 1800 977

www.tcixps.com email: info@tcixps.com



Ashok Gulati, Director, Asia, International Food Policy Research Institute

FEED INDIA, THE WORLD

Hybrid seeds and better water management can keep us from being a big importer of food

Sometime between 2030 and 2035, India is likely to be the most populous nation on this planet with a population of 1.6 billion, leaving behind China. Researchers are also projecting that the overall rate of growth of the Indian economy is likely to remain high (8-10 per cent), and may even cross China's growth rate as early as 2013 because of the "demographic dividend" that India is likely to reap as well as the "animal spirit" of its private sector that has been unleashed by the economic reforms.

With rising incomes, Indians are going to demand more food, especially the 400-million-plus who have been living on less than $1.25 (₹56) a day. The moot question, therefore, for an agriculture policy planner is: will India be able to produce enough food to feed its increasing mouths or will it become one of the largest importers of food in the world, say, by 2020 or 2030?

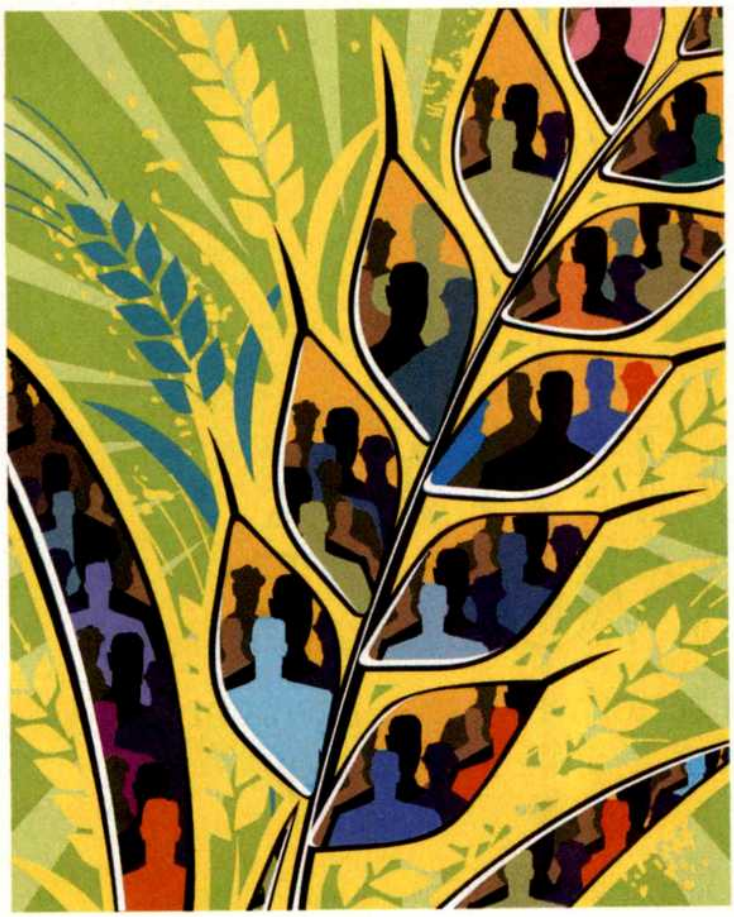
Before one attempts to project the future, it may be good to peep into the past to get an idea of how Indian policymakers have behaved with respect to basic food availability. It is well known that India was a large importer of food (basically wheat) under the PL 480 food aid programme extended by the United States during the 1960s. It had its political repercussions, as a result of which India set a high priority on self-sufficiency in basic staples like rice and wheat. In the late 1960s and early 1970s, the Green Revolution was ushered in to tide over that crisis. During the 1970s and 1980s, Operation Flood performed a similar feat in milk, and today India is the largest producer of milk in the world (about 110 million tonnes a year).

Overall, the food production index in India has been growing much faster than the population index, especially since the early 1980s, and that gap has been widening for the last couple of decades, indicating an increasing availability of food in the country. The problem has perhaps been more in the distribution (or economic access) than in the overall availability of food.

Within the food basket, one needs to note that consumption patterns are diversifying with rising incomes. Cereals are only one component, and their share has

SHEKHAR GHOSH/www.indiatodayimages.com

Ashok Gulati, Director, Asia, International Food Policy Research Institute



Yields in the eastern states are around two tonnes per hectare but there is scope to take it to over four tonnes. The second Green Revolution is likely to come from this belt

been going down over time in the consumption basket. But in policy debates, cereals (rice and wheat) still dominate and remain the focus of food security concerns. Between 2000-01 and 2009-10, India exported (net) 53 million tonnes of cereals. This is besides the fact that during much of this period, India also had grain (rice and wheat) stocks much higher than the buffer stock norms. So, India has been not only meeting its effective demand for basic staples but also producing some surplus to export and build its buffer stocks.

Will India continue to be surplus in rice and wheat in future, say, till 2030? Although it is somewhat difficult to project supplies till 2030, yet given the policy changes to tap the eastern belt, especially for rice, it does not seem to be a very difficult proposition. The yields in the eastern states have been hovering around two tonnes per hectare but there is scope to take it to over four tonnes per hectare, provided many incentives and infrastructure, among other things, are put in place. The second Green Revolution is likely to come from this belt.

The real challenge, however, is going to be in producing enough edible oils and pulses as parts of the diversified food basket. The demand for edible oils and pulses has been increasing at a much faster pace than rice and wheat (due to their higher expenditure elasticity). The yields of most of the oilseeds and pulses are low. Among edible oils, palm oil imports from the South-East Asian countries (Indonesia and Malaysia) turn out to be a very cheap option. As a result, with the lowering of import duties, edible oil imports have increased substantially (imports account for almost half of India's consumption of edible oils). In a way, this is leveraging agriculture land overseas for those commodities where India does not have comparative advantage. An almost similar situation exists for pulses, with imports hovering between two and three million tonnes. Imports of these commodities are likely to go up unless there is a breakthrough in technology to raise their yields, especially in rainfed areas.

Overall, it does not seem that India will be a huge importer of food by 2030. India may continue to import some commodities such as edible oils and oilseeds, but it could also be exporting many other commodities ranging from cereals to fish to fruits and vegetables, depending upon their comparative advantage.

Use of yield augmenting technologies is going to be the main driver behind India's self-sufficiency in critical food items, especially staples. Hybrid maize has already shown very promising results by raising India's maize production by 60 per cent. Hybrid rice could do the same to India's rice production. Investments in water management (irrigation and flood control) are going to be critical to make this a reality, and Indian policymakers are well aware of this.

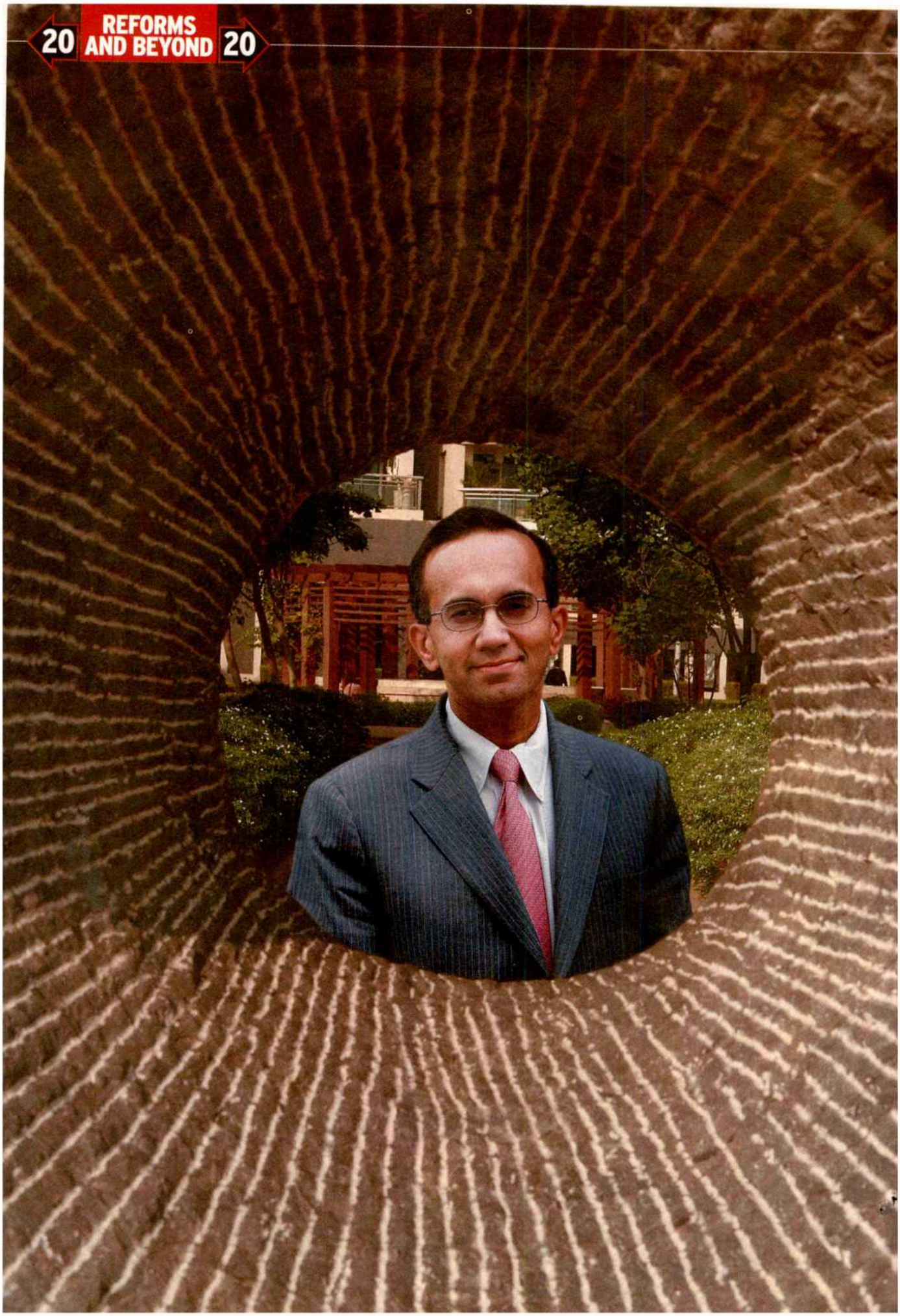
Realising this, public investment in agriculture has been substantially increased since 2003 (almost doubled), which will impact the production of food in the years to come. The National Food Security Mission, and a Green Revolution in the eastern belt are some of the promising programmes to raise cereal production in the wake of increasing challenges posed by climate change. ◆

LIVE MET SMART

Welcome to THE MET - the future of hospitality. Innovative design, modern technology and eco-friendly practices have been enhanced with new ideas and bright insights. Enjoy luxury with a conscience at our smart new avatar.

THE METROPOLITAN HOTEL

Bangla Sahib Road, New Delhi - 110001, INDIA
T : +91 11 42500200 E : info@hotelmetdelhi.com
www.hotelmetdelhi.com



Tarun Khanna, Professor, Harvard Business School

ADVANTAGE AFFORDABILITY

Indian entrepreneurs have an edge but they have to absorb as well as contribute ideas to the world

Octavio Paz, the Mexican ambassador to India and Nobel Prize-winning poet, referred in his 1995 collection of essays, *Vislumbres de la India*, to Hinduism as a large, "metaphysical boa," devouring all influences that came its way. He was referring to India's tendency to assimilate and absorb hordes of foreign cultural and societal influences over the centuries.

I found myself thinking that, in the next generation, Indian entrepreneurs will also have to be like boas and quickly assimilate the skills honed by their counterparts around the world. This includes the assembly-line manufacturing attributed to Henry Ford, the scientific management techniques first popularised by the likes of Frederick Winslow Taylor in America, the more recent attention to style from Europe and the quality revolution from Japan. Each of these groups of entrepreneurs — American, European, and Japanese — has brought something new to the global entrepreneurial table, as it were.

But the boa simile is insufficient to articulate what India's entrepreneurs have yet to accomplish. The assimilation phase must be followed by the contribution of a momentous set of ideas to the rest of the world, comparable in significance to what others have done. What might these ideas be?

One candidate for such a set of ideas has to do with what I have heard referred to as the affordability revolution, that is, rethinking products and services so as to make them much more available to the masses. After all, the number of people living below India's official poverty line is still in the hundreds of millions. A service that caters to the masses, in any area of human endeavour, ought to find a use among lower income consumers worldwide, and perhaps also lead to the rethinking of how services are provided to all consumers.

What are good examples? Tata's Nano, the first so-called '1 lakh Rupee' car ($2,200, or close to this) and its Ace, the mini-truck, are surely impressive attempts to create affordable transport for India's masses, with immediate resonance for several consumers worldwide. The Nano might well find a home in other

Tarun Khanna, Professor, Harvard Business School

Affordability improves economic inclusion by allowing the masses to consume not just basic needs but intangibles such as information, education and health

countries, and the re-engineering and *tabula rasa* design approach taken by the company might also prompt the rethinking of automotive design. The results will be useful products and services that expand the range of choice for lower income users worldwide.

Consider a very different area, paediatric heart surgery, at Narayana Hospitals in Bangalore. The hospital has a much lower cost structure than its counterparts in the West because of its greater scale, which also means its staff are more proficient because of the much larger number of operations performed by them. Beating-heart surgeries, where portions of the heart muscle are operated on while the heart continues to function, are more common there than in the best hospitals in the West, where surgeries require stopping the heart and sustaining the patient on a complex heart-lung machine.

The lower cost structure, at outcome levels that are as good as those of the best in the West, facilitates access to heart surgery.

I realised the worldwide significance of this from Dr Devi Shetty, the hospital's founder, when he told me that a century after the first heart surgery, less than eight per cent of the world's population can afford this treatment at the conventionally offered rates. Of the 650,000 such surgeries done annually worldwide, 450,000 are done in the United States alone. Obviously, large numbers of sufferers in poorer nations have to do without the treatment.

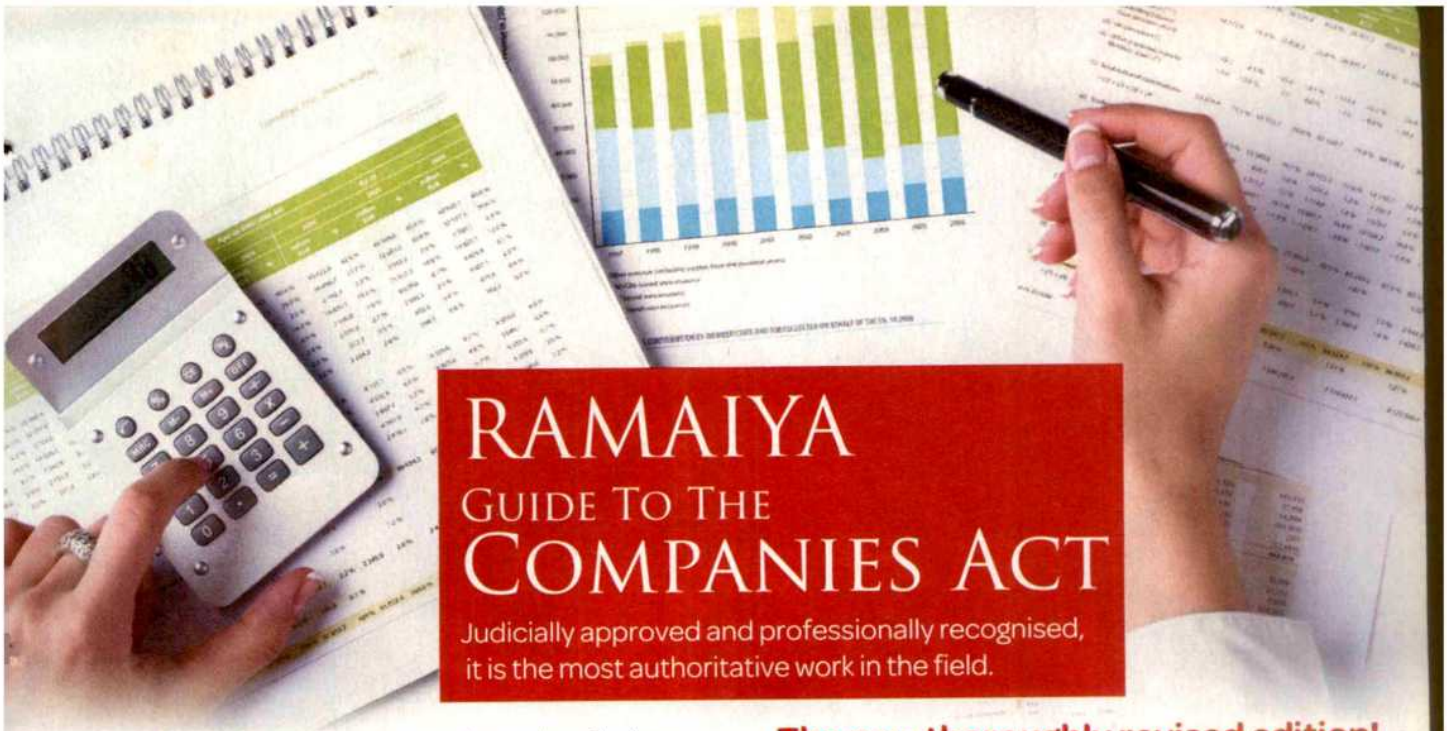
This panache for re-engineering products and services for affordability, I feel, raises a more fundamental issue that goes to the heart of the compact between business and society. Given the angst against business worldwide following the financial meltdown of 2008 and the spate of corporate corruption scandals, it is fitting that the societal compact with business be revisited everywhere, and not just in the West. India is as fitting a laboratory as any, with its enormous diversity and the medley of corporate experiments under way.

Affordability improves economic inclusion by allowing the masses to consume. Think of consumption here not just as the indulging of basic and not-so-basic human wants, but more eclectically of the consumption of intangibles such as information, education and health care. Heart surgery, by going from inaccessible to available because of an affordability revolution, is a great example.

The Nano and cutting-edge-yet-affordable paediatric heart surgery have been perfected over time. They require dedicated resources for sustenance while they are coming to fruition. Private entrepreneurs and their financiers can systemically plough resources into such innovation aimed at affordability only if societies allow them to earn a healthy return. Yet there is something about providing affordable goods and services at a profit — especially when it comes to the likes of education and health care — that raises the hackles of many in society.

The trade-off is clear. Allowing a return on 'innovating for affordability' will likely enhance economic inclusion, but will allow some enterprising entrepreneurs to become wealthy (by providing intensely affordable products). Restricting the profits that can be earned by entrepreneurs will, *ceteris paribus*, lower the attention to 'innovating for affordability'. Even reasonable people can differ on how much wealth an individual should be allowed to accumulate by providing products for the economically disenfranchised. Societies must come to terms with these views.

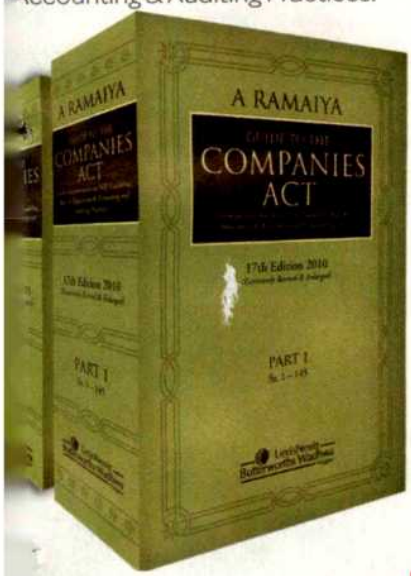
If they do, and business does manage to regain its position as the engine that innovates its way to affordable models, my view is that commerce will be well on one way to reaffirming its societal legitimacy. And this idea of profiting one's way, with moderation, towards economic inclusion, could be what the Indian entrepreneurial boa, to return to Paz and his simile, could contribute to world commerce. ◆



RAMAIYA
GUIDE TO THE COMPANIES ACT

Judicially approved and professionally recognised, it is the most authoritative work in the field.

Containing exhaustive commentary and case-law (Indian & Foreign) alongwith Departmental Circulars, Press Notes, Notifications with thorough coverage of Secretarial Action Points, Secretarial Compliance Certificate, Practice Notes & Checklist, SEBI ICDR Guidelines, Rules & Regulations, Accounting & Auditing Practices.



17th Edition 2010

10% Early Bird Discount

ISBN: 978-81-8038-649-7 | Hardcover

Box 1 – Set of 5 Parts containing Treatise Part 1, 2, 3 & Appendix Part 1 & 2

The new thoroughly revised edition!

Standard Reference for

Chartered Accountants, Company Secretaries, Company Administrators and Lawyers

Key Highlights

- Up-to-date & exhaustive commentary on the Companies Act, Allied Acts & Rules
- More than **17500 judicial decisions** have been discussed
- Thoroughly revised & exhaustive coverage of latest case-law and current topics from India & abroad
- Discusses more than **4500 additional cases** (Indian & Foreign) decided by the Supreme Court of India, various High Courts and British and American Courts
- Includes cases reported in Company Cases, Company Law Journal, All India Reporter, All England Law Reports, Butterworths Company Law Cases
- The **Statute Law** as amended upto November 1st, 2010 and Case-law is reported upto October 1st, 2010
- Thorough coverage of SEBI ICDR Regulations, 2009 and various other Rules and Regulations issued in respect of Securities Market in India by SEBI at appropriate places
- Inclusion of Companies (Accounting Standards) Rules, 2006 as issued by the Central Government and discussion of various other Accounting and Auditing Standards, Guidance notes and opinions as issued by ICAI

A Supplement of Amendments, if any, carried out by the Central Government in the Companies Act, 1956 and the Companies (Central Govt's.) General Rules & Forms, 1956 upto ***31st March, 2011*** shall be supplied **FREE** of cost to all the purchasers of BOX 1, against Coupon (in original) attached in Treatise Part 1.

4 Easy ways to Buy*

Customer Helpdesk Tel. +91 124 4774477 (9 am - 5 pm, Mon-Fri)

Email: orders.in@lexisnexis.com

Visit us / Buy Online: www.lexisnexis.co.in

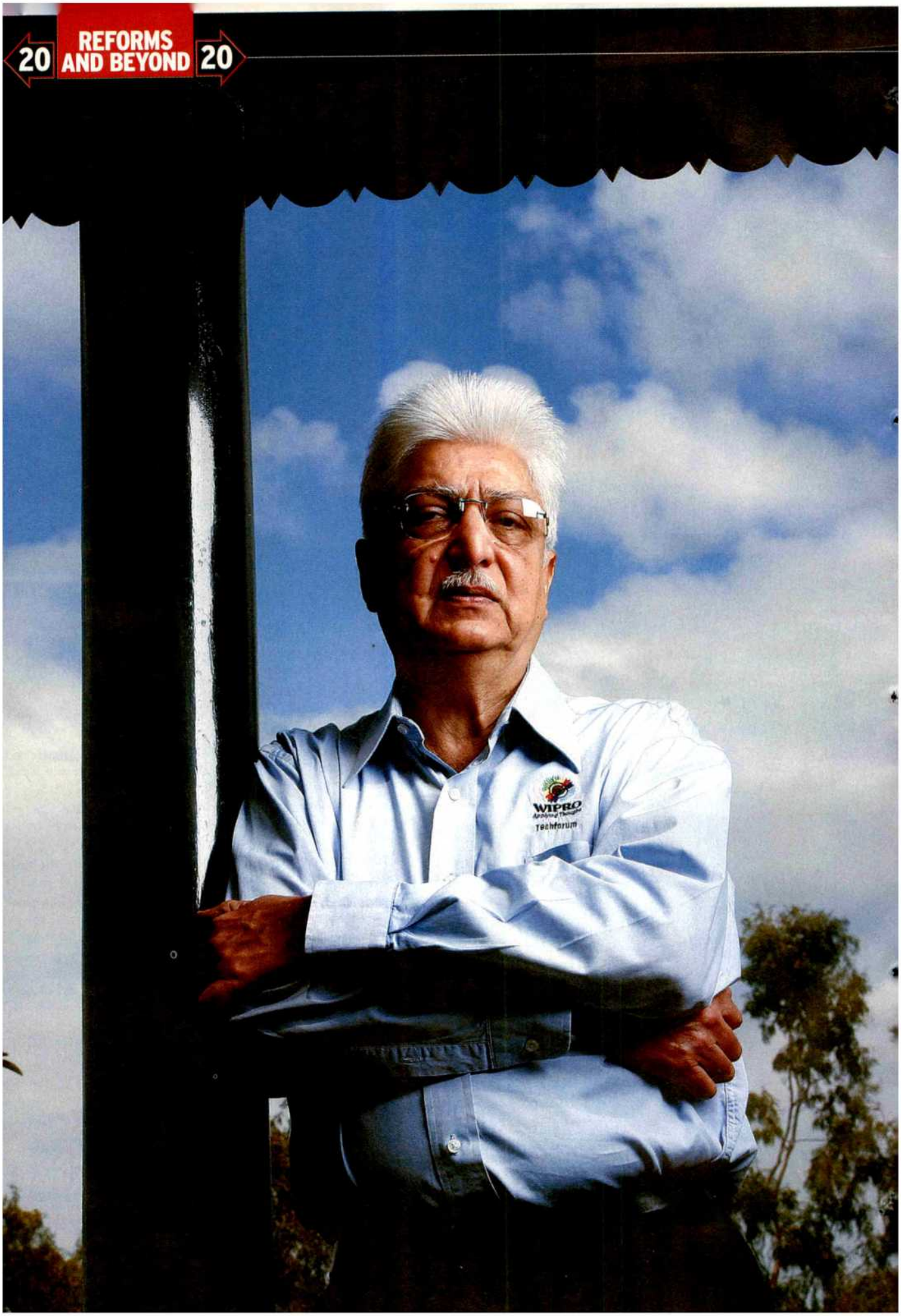
From your nearest retailer

LexisNexis® Butterworths Wadhwa Nagpur

LexisNexis (A Division of Reed Elsevier India Private Limited)
14th Floor, Tower B, Building No.10, DLF Cyber City,
Phase II, Gurgaon 122002, Haryana (India)
Tel: +91 124 4774444, Fax: + 91 124 4774100

ok your orders today and avail 10% discount* by mentioning the code **'1210BT97'**

aimer: This is a promotional message from LexisNexis, a leading law book publisher and provider of information and services solutions, which includes its flagship Web-based Lexis® and Nexis® research services, to a wide range of sionals in legal, risk management, corporate, government, law enforcement, accounting and academia. LexisNexis' repertoire of publications includes those of Butterworths of UK and Wadhwa Nagpur.


WIPRO
Applying Thought
Techforum

Azim Premji, Chairman, Wipro

CAN INDIA TEACH?

Yes – if the government's reach and the rigour of NGOs bind in its schools

When the BRIC hypothesis was proposed in 2003, it was met with equal shares of celebration and scepticism. However, what has happened since then has only served to strengthen the argument that Brazil, Russia, India and China — the BRIC countries — will emerge as the leading economies. China and India have grown faster than most predictions; on the other hand, the G7 nations remain mired in slow growth, high unemployment and large budget deficits — a trend made worse by the recent financial crisis. In purchasing power parity terms, China and India are already the world's second and fourth largest economies, respectively.

Among the world's economists, policymakers and business heads, there is now a widespread belief that a change of guard in the global economic order is inevitable, perhaps even imminent. Over the next couple of decades, the 20th century giants — the United States, Europe and Japan — will lose ground to a few emerging nations led by China and India.

Of course, beliefs alone do not make history: a sooner-than-anticipated peak in oil production, a war in any of the geopolitical hotspots, or any other such improbable event might completely alter the global balance.

It is not such improbables that worry me though, it is the probables: the two make-or-break factors that will decide whether or not India lives out this promise. The first is social: whether (or not) we move towards a more just and equitable society. History tells us that economic growth without social development is rarely sustained. The second is environmental: whether (or not) we are able to reverse the ecological damage, and manage the effects of global warming. The ecological limits to human growth might constrain us sooner than we imagine.

For both factors, the initial steps will be through specific government interventions. The National Rural Employment Guarantee Scheme, the National Rural Health Mission and Sarva Shiksha Abhiyan are already attempting to improve access to livelihood, nutrition, health care, education and other public infrastructure. Some work has been done to strengthen environment protection laws, and to promote low-footprint technologies. We

NAMAS BHOJANI/www.indiatodayimages.com

Azim Premji, Chairman, Wipro

For a million schools to change, government and civil society organisations will have to come together in active partnership

need to build community awareness on the need to preserve and nurture natural environments. And the five-year plans need to chalk out responses to the effects of global warming, such as erratic monsoons, rising coastlines and depletion of fresh water sources.

But, given the sheer size and complexity of our country, I believe that significant shifts in social and environmental consciousness cannot happen only through government schemes. They will only occur when a majority of Indians are empowered to create life-opportunities for themselves, and are able to see the complex web that interconnects each one to the other, and to the larger ecosystem.

This is why I am concerned about the state of schools — because, in a democratic society, there is only one way of empowering everyone, only one way of developing a certain ethical consciousness; and that is education.

To understand where we stand, perhaps there is no statistic more telling than this: for every five children who enrol in school today, only one will complete ten years of schooling.

To be fair, the government has made earnest efforts to improve access — today, 97 per cent of villages have a primary school close by. This is a commendable and remarkable achievement. At last count, India had well over a million schools, with a primary school in almost every nook and corner. Not only is it the world's largest education system, it is also by far the most complex, given the sheer variety of India's languages and cultures.

The problem is that of quality. If you were to talk to educationists and non-governmental organisations, you will hear one refrain — that the quality of teaching is abysmal. You will hear that schools function ineffectively, inefficiently, and at times do not function at all. While most children enrol in school, they learn very little through the years. Is it any surprise that most drop out over time?

There are many reasons for this. To list just a few: poor quality of teacher education, insufficient teachers, poor understanding of educational aims and how children learn, systemic and social pressures on schools, inadequate academic support for schools, and archaic administrative methods.

Setting right the quality issue will take an enormous effort. Each school is a complex social system with a unique legacy of intent, ability and understanding. While some elements of change can be driven systemically — reforming teacher education or developing better curricula — some can be done only contextually and collaboratively with each school.

The government works in broad brushstrokes — its schemes and programmes are evolved centrally, and often are an attempt to find a common solution to what are actually diverse problems. Which is why I strongly believe that, for a million schools to change, government and civil society organisations will have to come together in an active partnership. The Lok Jumbish programme in Rajasthan, where the government (with resources and reach) and civil society organisations (with context and rigour) came together, is an example.

Societies and systems change when there is a critical mass of congruent desire. The government has made significant improvements in hard infrastructure, and is focusing on issues of quality. There is a greater civil society action in education than ever before. There was a time when I felt that I might not see a quality revolution in my lifetime. But now I believe that change is imminent; that in the next ten years, our million schools will reach a much higher level of performance.

I believe it is possible to have a society where human beings live in dignity, peace and with a sense of well-being. India can be an economic superstar but that is meaningless unless we also become a far more just, equitable, humane and sustainable society. The key to this rests in the state of our million schools — that is the barometer of India's future. ◆

HERO HONDA

Desh ki dhadkan

DHAK DHAK GO

SPLENDOR NXG

Yaari Ki Gaadi

Next generation APDV engine

Convenient Power Start™

Stylish Meter Console

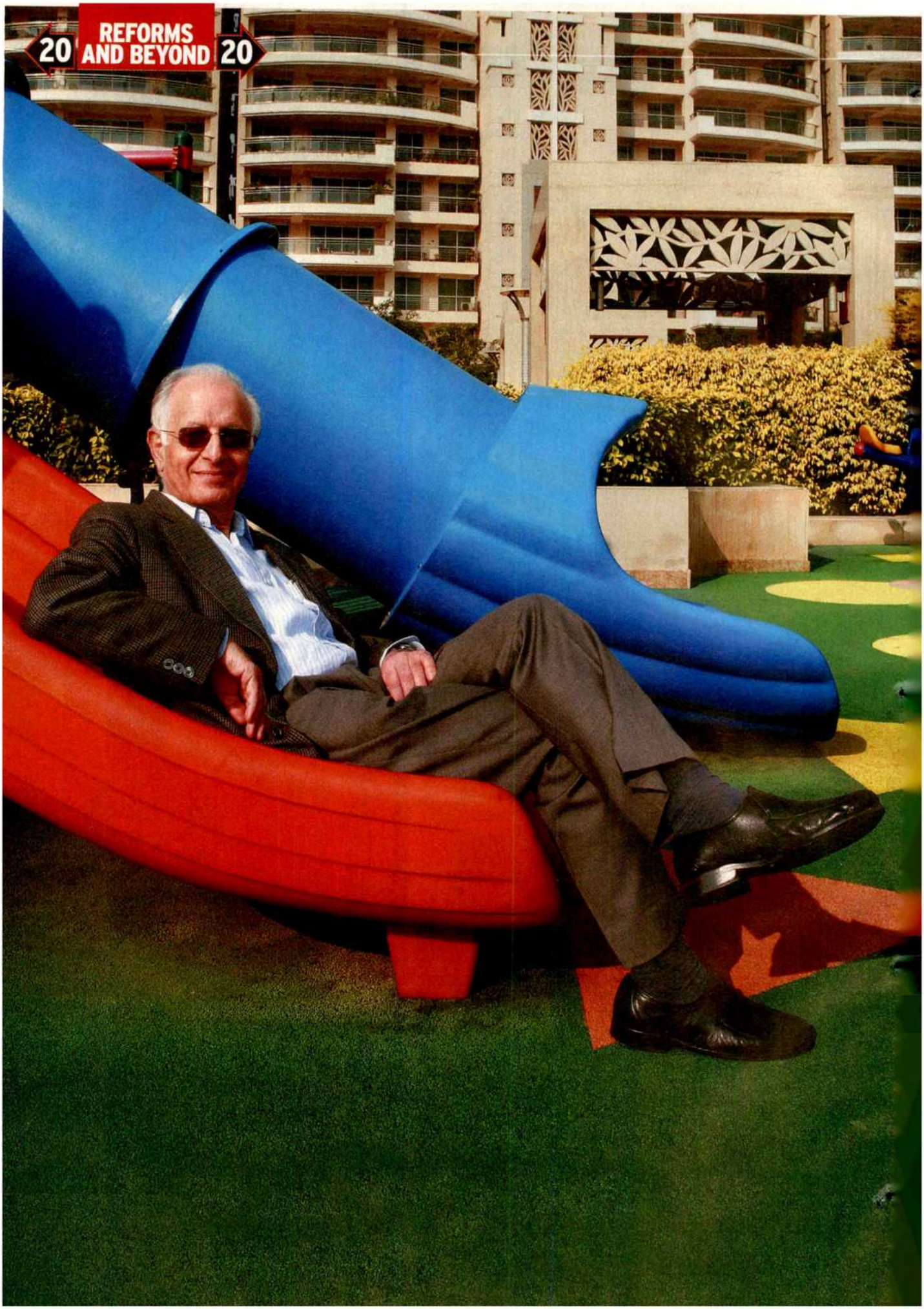
On Splendor NXG, Yaari goes On & On . . .

Splendor NXG, a stylish bike with great mileage, for friends who cherish every moment of fun-filled togetherness. Get on the Yaari ki gaadi and connect with friends, who may be far but with Splendor NXG can never be too far.

Accessories shown may not be a part of standard equipment.

Registered Office: 34, Community Center, Basant Lok, Vasant Vihar, New Delhi - 110057, toll-free no.: 1800-266-0018 from BSNL/MTNL landlines or visit our website www.yaarikigaadi.com

JWT.5636.2010



Arun Maira, Member, Planning Commission

FIREFLIES ARE RISING

Reforms ought to be directed towards enabling more entrepreneurs and innovators

Recently, a European business leader asked me a question. How come India's economy continues to grow at around nine per cent a year even though the government has so far not implemented most of the reforms that economists and foreign business leaders have recommended as essential for the economy to grow? Where, then, is the energy for India's growth coming from, he asked. "It is coming from India's fireflies," I said. That intrigued him, and he arranged a meeting of European business leaders in which I presented the scenarios of India that were developed some years ago, based on an analysis of forces shaping India's growth. These forces were described to readers of *Business Today* in January 2005, in an article captioned *A Nation of Fireflies* (http://bit.ly/mairainbt).

The validity of those scenarios is borne out by the progress of the country today. The scenarios were comprised of four models of leadership and development that are operating simultaneously in the country. One is 'Buffaloes Wallowing (While Children are Waiting)'. In this model, progress is expected to be brought about by experts and leaders at the top. This is the traditional model for managing large systems.

However, when the leaders are unable to agree among themselves, there is no 'reform' and no progress. Meanwhile, the people are waiting for results. In India's case, education and health of our children must improve rapidly, and productive jobs must be created for them, for the county to realise its 'demographic dividend'.

Another model, vigorously operating in India now, is 'Peacocks Strutting (While Little Birds are Scrambling)'. The opening of the market and removal of government controls has enabled many people to become richer, and some very rich indeed! However, many do not have access to opportunities offered by the market because they do not have education, or access to finance.

Reacting to inefficiencies in government schemes, and to increasing corruption and crony capitalism, another model of leadership is spreading across parts of the country. This one forces change by violence. Described as 'Wolves (and Tigers) Prowling', it is seen in extremism-affected districts.

In 2005, the World Economic Forum (WEF) used these four models of change to construct three scenarios of the future of India. Economic forecasters in Britain and India then estimated what the growth prospects for the country would be under these scenarios. The first scenario was described as '*Atakta Bharat*'

VIVAN MEHRA/www.indiatodayimages.com

Arun Maira, Member, Planning Commission

People want to stand on their own feet. They want opportunities to earn. They want to be empowered

(or Hampered India, based on the model of 'Buffaloes Wallowing') in which growth is hampered by the sclerosis in governance. In this scenario, according to the forecasters, GDP growth could decline to six or seven per cent.

The second was called 'Bollyworld'. In this scenario of insufficiently inclusive growth, 'Peacocks Strut', but 'Wolves Prowl' too. This reflects India's present reality. Like in a Bollywood movie, glamour as well as violence is the daily fare of news. It may be fun, but it will end. In this scenario, growth will cross nine per cent for a while but as internal contradictions and tensions increase, it will taper down, was the analysts' verdict.

The WEF's third scenario was called '*Pahale* India' or India first. The growing force for change in this one is 'Fireflies Arising'. In this scenario, growth would cross 10 per cent and sustain at these levels. The 'fireflies' are entrepreneurs and local leaders of change. They are women in self-help groups across the country, drawing women into the mainstream. They are innovators finding frugal solutions to meet the needs of masses of poorer people. They are self-employed vendors, conducting business over the ubiquitous mobile phone.

In the past few years, tens of thousands of SMEs, or small and medium enterprises, have been vying to get the 'Best SME' awards sponsored by some private sector banks. The SMEs have created many times more jobs than the organised manufacturing sector in the past few years. Almost 40 per cent of India's manufacturing exports are from the SME sector.

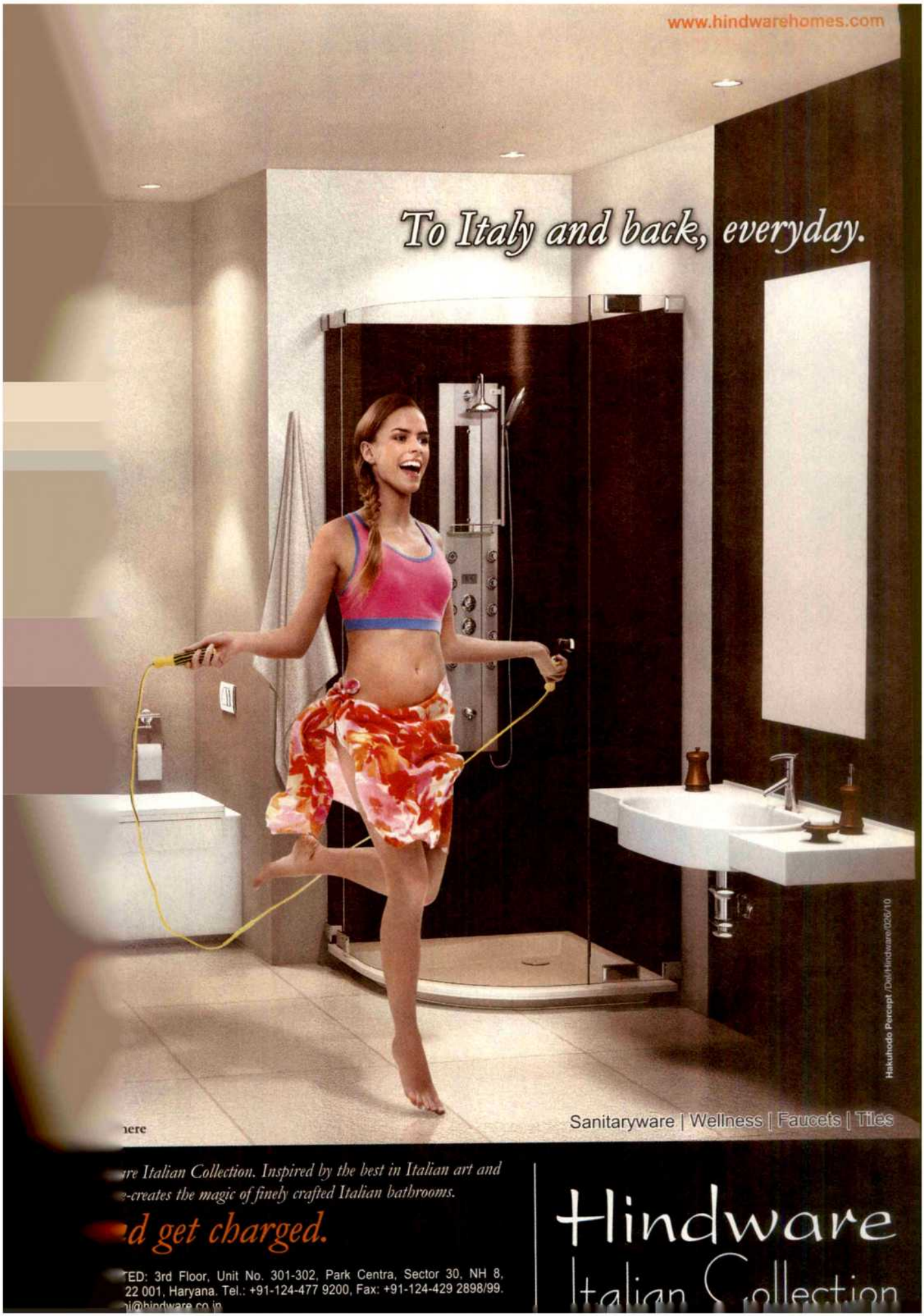
In Himachal Pradesh, the sight of girls in school uniforms scrambling up the hills, and in Bihar of girls riding bicycles given by government for going to school, are images of a changing India. All these are the millions of little fireflies whose energy is boosting India's economy.

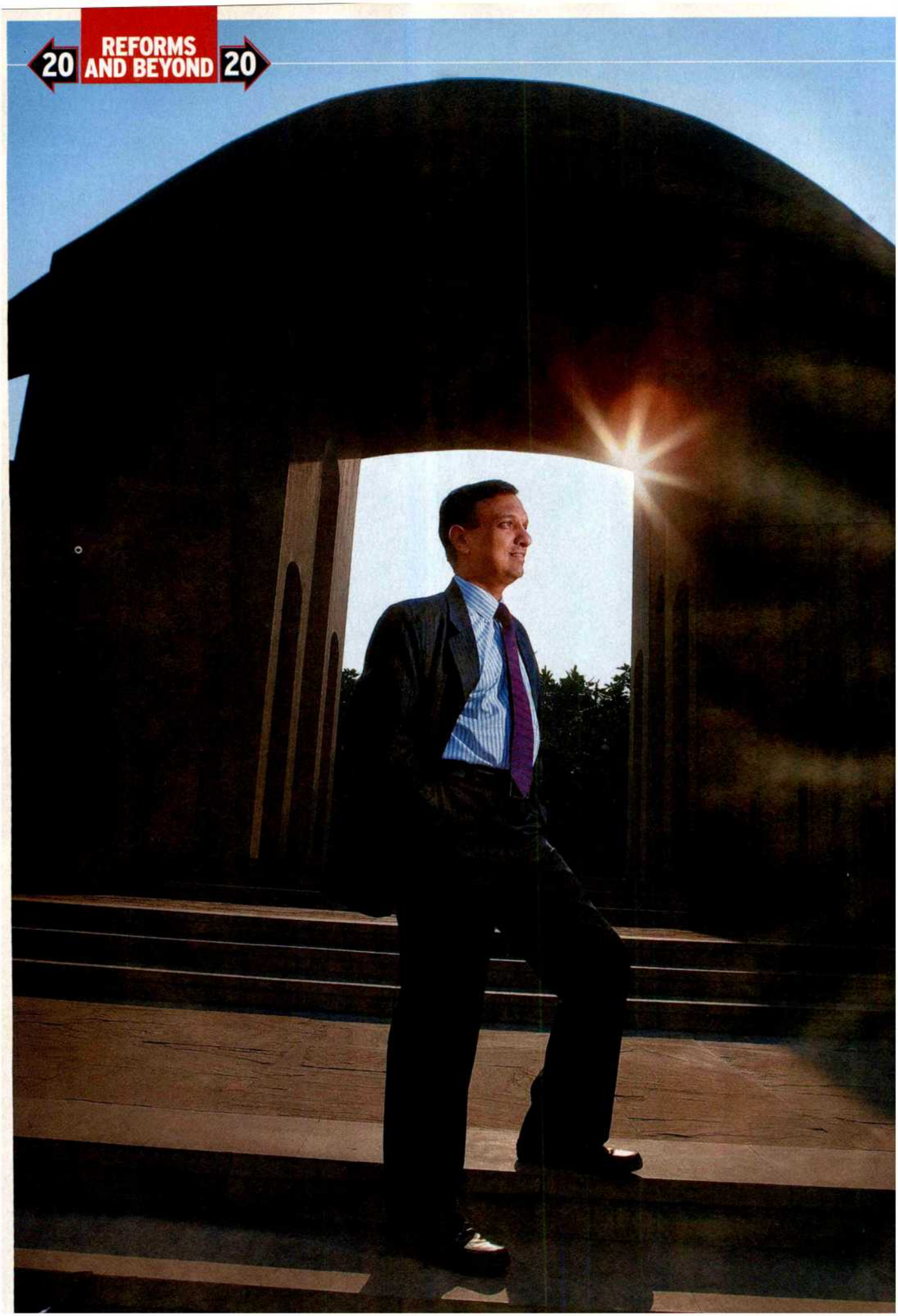
The explanation to the European business leaders was that both the 'peacocks' and the 'fireflies' are contributing to the country's growth. The business media celebrates the peacocks, who are becoming well known in the world. But the fireflies are contributing much more to the country's growth than we give them credit for. To further boost and sustain India's all-round growth, reforms ought to be directed towards enabling more fireflies to light up, and to spread around and scale up innovations. People, right down to the bottom of the pyramid, must be active participants in the processes of governance and economic growth.

They should not be included merely as passive beneficiaries of state hand-outs and corporate charity. State hand-outs make people beholden to politicians, which politicians like. And corporate charity makes the givers feel good. But people want to stand on their own feet. They want opportunities to earn. They want to be empowered. Therefore, rather than dispense relief through palliative schemes, reforms must create conditions for citizens to participate fully in the economy, through financial inclusion, vocational training, right to information, etc.

Leaders at the top should not wallow any more. The country needs reforms to end the 'Bollyworld' story of excessive greed and glamour, and corruption and corrosion of values. More urgent than financial sector reforms now are police reforms, judicial reforms, political funding reforms, and regulatory reforms.

The stalled processes of devolution of powers to local urban and rural bodies must be unclogged and expedited. The poor are the scrambling sparrows and squirrels, while the peacocks strut and wolves prowl. Bollyworld must turn into *Pahale* India for India's growth to be inclusive and sustainable. Let an India well known for its Buffaloes, Peacocks, and Tigers become best known for its Fireflies that transform the country. ◆


www.hindwarehomes.com
To Italy and back, everyday.
Hakuhodo Percept /Del/Hindware/026/10
Sanitaryware | Wellness | Faucets | Tiles
ere
re Italian Collection. Inspired by the best in Italian art and
-creates the magic of finely crafted Italian bathrooms.
d get charged.
ED: 3rd Floor, Unit No. 301-302, Park Centra, Sector 30, NH 8,
22 001, Haryana. Tel.: +91-124-477 9200, Fax: +91-124-429 2898/99.
@hindware.co.in
Hindware
Italian Collection



Nachiket Mor, Chairman, IFMR Trust

SAVING THE MICRO BUYER

The private sector is best placed to serve the poor, but it can't expect government help

Markets are said to go hand in hand with democracy. Just as people are allowed to choose their leaders in an unfettered manner, so, it is said, must happen with goods and services. And, just as democracy is messy and does not always produce the "right" answer, so are markets. Eventually, democratic systems self-correct, and so do markets. While we are deeply attached to democracy, many of our fellow citizens continue to pay a heavy price because democracy does not always throw up leaders who are worthy of a nation such as ours. We hope that, on balance, we have gained more than we have lost and that self-correction is at work.

However, we as a country have displayed much less equanimity about markets. Policy here has been characterised by a deep fear and mistrust of the private sector, leading to a series of backward and forward steps. As a result, even in mainstream markets, we have created a private sector that largely survives because of implicit government backing (e.g., petroleum refining and financial services), or because the state's failure has been so stark that even its most diehard supporters had to allow alternatives (e.g., airlines and telecom).

The waters get muddied when it comes to low-income households and to goods and services that are seen as "non-market". The implicit contract seems to be that it is all right to have the government provide deficient goods and services or not provide them at all, as long as the poor are protected from extreme shocks that market forces bring with them.

The darker side of this, however, is that the antipathy is only towards the formal private sector. So the Forwards Market Commission gets to regulate the electronic spot exchange, and the Reserve Bank of India the non-banking finance companies or NBFCs. This considerably increases the playing field for the deeply exploitative but historically present informal private sector such as the commission agent and the village moneylender. A grim example is the current microfinance crisis in Andhra Pradesh, in which an entire industry of regulated NBFCs is being erased, leaving the field wide open for informal lenders.

Why is this happening even though the

SHEKHAR GHOSH/www.indiatodayimages.com

Nachiket Mor, Chairman, IFMR Trust

Rather than see business and responsibility as opposites, there are players that see them as being deeply consistent with each other

poor more than anybody else need the efficiency, the low costs, the continuity, the neutrality and the reliability that markets can provide in many areas? In part, it is happening because the very nature of the market demands inflexibility, which translates to dependability when things are going well (if you put the money down you get served efficiently no matter who you are) but can be devastating when they are not (no money, no service no matter how much you need it).

In part, it is happening because the markets that serve low-income households are at a primitive stage. Early entrants are earning supernormal profits by extracting monopolist rents and benefiting from the fact that good outcomes are hard to define and measure in services such as health care and education. These very supernormal profits will attract challengers, and customers will have more choices and be harder to exploit.

Creative destruction would normally be fine except for the fact that at the other end of this chain are very poor people and whenever evidence of such value extraction emerges it becomes hard for democratic systems to allow it to continue. No democratic process will accept even short-run rent-seeking from the poor by an organised private sector, although it may turn a blind eye to rent-seeking by informal players or the non-performance of government as the sole provider.

But, in large part, it is also happening because the government had a direct and unfettered play in the area for decades and often behaves not as a neutral referee but as an incumbent corporate monopolist.

So, should the private sector wait for the government to fail entirely even (as it did in telecoms and airlines) before markets can hope to serve low-income households? Will that be too late? Even when that happens, how do we protect the poor from the "natural" behaviour of markets? A large part of the private sector is in any case not interested in finding answers to these questions — rather than face the music it is already selling its tea and coffee plantations, shutting down rural branches and confining itself at most to middle India or going outside the country entirely.

What is the message then for the sliver of the private sector that is interested in addressing service delivery gaps for low-income households? The clear message is that it must redefine the manner in which it seeks to operate. It must explicitly acknowledge 'Government, Inc.' as a formidable competitor that is a powerful market player and not for a moment rely on its impartiality or look to it for solutions. It must engage the communities it wishes to serve and find market-based solutions to protect those who are not able to cope with the facelessness of markets. It must slow down to ensure that it takes firm root and cannot be dislodged easily. It must internalise John Kay's message of "obliquity": only those that truly solve "real" problems can hope to survive and grow in the long run.

Is this a utopian notion? Does such a private sector exist in India? Indeed it does. Rather than see business and responsibility as opposites, there are players that see them as being consistent with each other. In fact, this is the only way in which commercial businesses can operate if they are to survive and grow in the long run in any market and not just ones that serve low-income households. The hope is that this sort of private sector will grow to a size that challenges our historic notions of how markets operate and builds our confidence in its ability to serve even the most vulnerable populations.

This is absolutely essential if low-income communities are to benefit from our growth momentum in the near-term and not have to wait for the trickle down to reach them. The challenges of ensuring inclusive growth are simply too large for even a high-performance government machinery to tackle entirely on its own. ◆

Outsource your company car fleet.
And your hassles.

As your fleet management partner, we help you to design your company car policy, advise you on an appropriate fleet mix and acquire vehicles for you through an operational lease. Furthermore, we maintain and insure your vehicles and offer you a host of unmatched value-added services that ensure uninterrupted mobility. Leaving you free to concentrate on your core business without the day-to-day challenges of managing your cars.

Derive benefits from getting your vehicles off your balance sheet, reduce administrative hassles, minimise fleet downtime, increase employee productivity and get immunised from any losses related to damage and maintenance or resale risks.

Entrust your fleet to the market leader in Operational Leasing.
It's easier to leaseplan.

Partner with the market leader

- Managing over 1.3 million cars across 30 countries
- 1400 clients in India with over 30,000 cars leased to date
- Reach in over 100 cities in India through 800 service partners
- Unique value-added services: 24x7 road assistance, replacement vehicles and much more
- A 'Greener' fleet through GreenPlan

Vehicles for your

- Senior Managers
- Field and Sales Staff
- Tool-for-Trade Needs
- Business Applications

LeasePlan India Private Limited
LP Service Direct: 1860 500 5050, + 91 (124) 466 0000
lpininfo@leaseplan.co.in; www.leaseplan.co.in

THE WORLD LEADING FLEET AND VEHICLE MANAGEMENT COMPANY

LeasePlan

सत्यमेव जयते
Government of Gujarat

The Global Business Hub

Welcomes You

Vibrant Gujarat 2011 Summit Programme Details

Pre-Summit Events

Seminars

Sector	Date
• Textiles including Technical Textiles	November 20, 2010
• Pharmaceuticals	November 27, 2010
• Stone Industries	December 3, 2010
• Tourism	December 6, 2010
• Agro and Food Processing	December 8, 2010
• Healthcare	December 14, 2010
• Mineral - based Industries	December 16, 2010
• Chemicals and Petrochemicals	December 17-18, 2010
• Information Technology	December 20, 2010
• Biotechnology	December 22, 2010
• Gems & Jewellery	January 6-9, 2011

Inauguration of Exhibition: January 10, 2011
Inauguration of Summit: January 12, 2011
Valedictory Function: January 13, 2011

Main Summit Events

Knowledge Sharing Programs - Panel Discussions, Discussion Forums

January 10, 2011
- Emerging Geographies
- Human Development Index focusing on Health Indicators
- Rurbanisation - Changing face of Modern India

January 11, 2011
- Industry - Responsive Skill Development
- Good Governance

Conclaves & Round Table Conferences

• IIM Conclave	December 27, 2010
• An International Programme on Capacity Building - SME - Gujarat Experience	January 9-13, 2011
• Young Entrepreneurs' Meet	January 10, 2011
• International Round Table of Academic Institutes	January 10, 2011
• Innovation Summit	January 11, 2011
• IIT Conclave	January 11, 2011
• International Round Table for Small Businesses	January 12, 2011

Seminars & Convention

January 12, 2011
- Oil, Gas and Power
- Engineering and Auto
- Special Investment Region, Special Economic Zones, Industrial Parks, Logistic Parks

January 13, 2011
- Symposium on Clean Energy - Solar Park and Smart City Development
- Financial Services
- Urban Development & Gujarat Water Summit
- Ports, Shipbuilding and related activities
- Small and Medium Enterprises Convention
- Inclusive Development - Social Business Enterprise

Networking Events

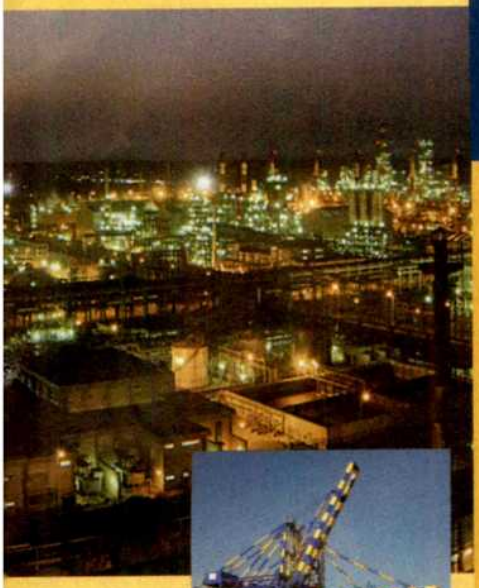
- B2B Meetings
- B2G Meetings
- International Buyer - Seller Meet
- Networking Dinners

Come to Gujarat on January 12 -13, 2011

Venue: Mahatma Mandir, Gandhinagar, Gujarat, INDIA

"Gujarat is emerging as a globally preferred place to live and to do business."

Narendra Modi
Chief Minister, Gujarat



Over the past decade, Gujarat has been **India's Growth Engine** and is now evolving into a **Global Business Hub**. It has various opportunities for business growth and is also equipped with the means to realise them.

The **Vibrant Gujarat 2011 Summit (Jan 12-13, 2011)** will bring together business leaders, corporations, investors, policymakers and thought leaders from across the world. This is the 5th such summit, the previous four having generated investment proposals to the tune of US $370 billion. It is billed to be the biggest and best yet.

Welcome to a new stage of Vibrant Gujarat! Give your business the global edge.

Advantage Gujarat

Strategic location
India's longest coastline, dotted with 42 ports
Uninterrupted power and water supply
60 Special Economic Zones and 83 Industrial Clusters
Pro-active government

Partner Countries
Japan & Canada

Partner Organisations
UNIDO
JETRO
Japan External Trade Organization

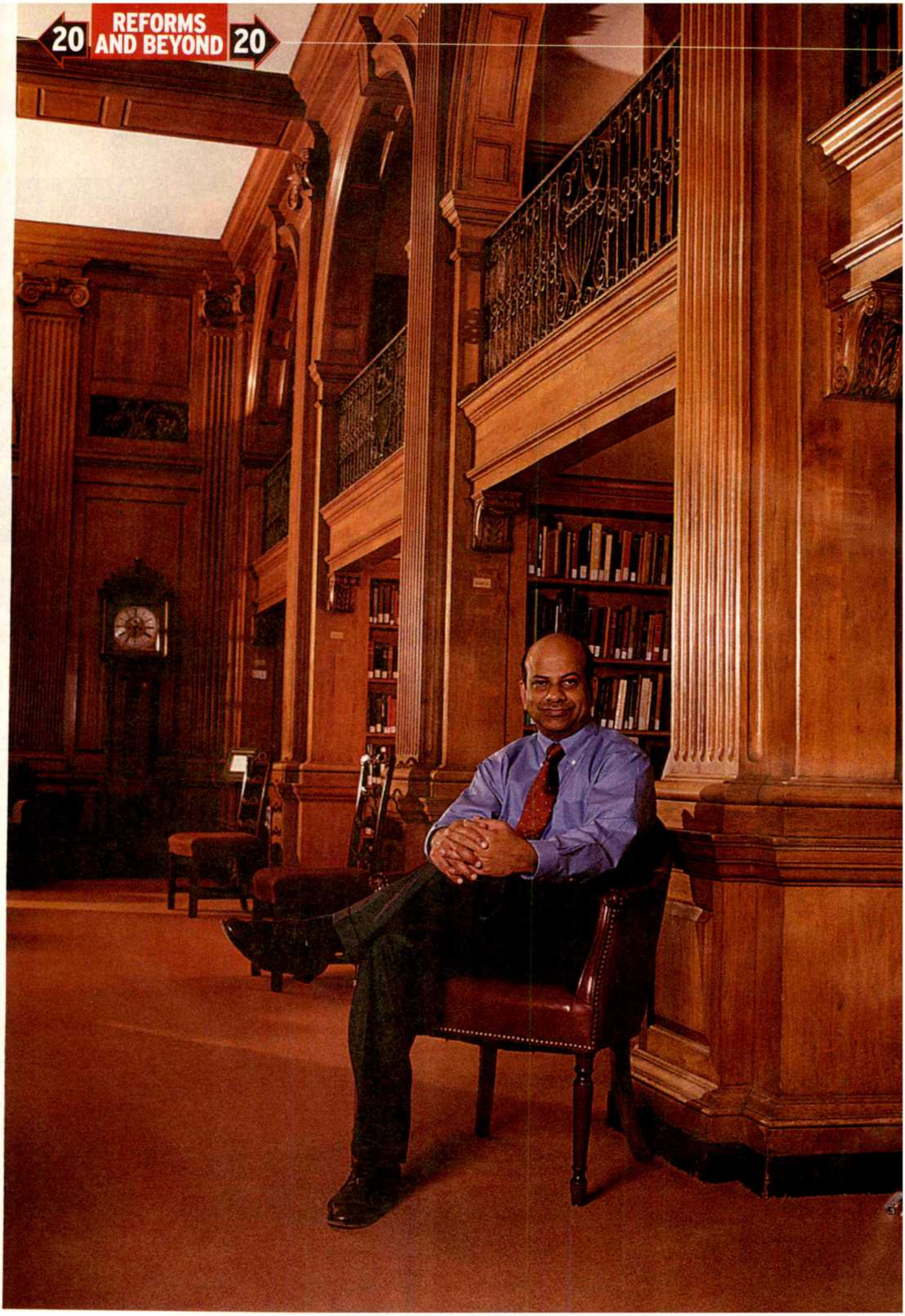
National Partner
CII
Confederation of Indian Industry
Since 1895

iNDEXTb
INDUSTRIAL EXTENSION BUREAU
(A GOVT. OF GUJARAT ORGANISATION)
ISO 9001:2008 Certified

Block No. 18, 2nd Floor, Udyog Bhavan, GH-4, Sector 11,
Gandhinagar 382 010 Gujarat, INDIA
Phone: +91-79-23250492/93 Fax: +91-79-23250490
E-mail: indextb@indextb.com Website: www.indextb.com

Vibrant GUJARAT 12-13 Jan. 2011
The Global Business Hub | 5th Global Summit

For more details and online registration, log on to www.vibrantgujarat.com



Vijay Govindarajan, Professor, Tuck School of Business

INNOVATOR INDIA

Not just the Nano, local ingenuity in health care and energy, housing and banking wait in the wings of the world stage

Historically, multinationals innovated in rich countries and sold those products in poor countries. We are witnessing a new phenomenon where this innovation paradigm is turned upside down. Breakthrough innovations will next happen first in poor countries and they will flow uphill to rich countries. This is the essence of reverse innovation. Consider the innovations in transportation, energy, and health care from India.

Transportation. India's GDP per capita today is roughly equal to that of the United States in the 1880s, an era in which the horse-and-buggy was the primary mode of transportation. The mainstream consumer in the US waited for a few more decades for cars. With today's technology at hand, however, Tata Motors has launched the Tata Nano, the world's cheapest car at a price point of about $2500. In doing so, Tata has unlocked a huge untapped market: cars for middle class Indians. The automobile ownership in India is about 10 cars per 1,000 population — in sharp contrast to the US where about 750 Americans out of 1,000 own cars.

The Tata Nano is, of course, lower in quality than even the low-end cars of the rich world, which sell at prices near $15,000. The difference in quality, however, is much less than the difference in price suggests. Tata Motors practised "frugal engineering" to radically rethink the five major areas of costs in an automobile: interiors, engine and transmission, suspension and wheels, electricals, and the body. Tata partnered its suppliers — Bosch for powering the car, Lumax for lights, Sona for steering and so on — in front-end design. The Nano features a no-frills design with the use of lighter components, simple door levers, single wiper, and so on. Its 624 cc two-cylinder engine not only lowers costs turning in up to 26 km to a litre of petrol but is also appropriate on grid-locked Indian roads where the average

Vijay Govindarajan, Professor, Tuck School of Business

Imagine that Tata Motors makes the Nano the world's most intelligent car. Even at $5,000, the Nano would be the cheapest car and could well take the low end of the US auto market by storm

speed is 16-32 km per hour.

But the real breakthrough is yet to come — it is about taking the Nano global. Already, Tata is preparing to take the Nano to other emerging markets. Even more important, the company plans to scale up the Nano platform and launch it in Europe and the US. Imagine for a moment that Tata Motors invests another $2,500 to make the Nano the world's most intelligent car — with integrated navigation, entertainment, and information. Even at $5,000, the Nano would be the cheapest car and could well take the low end of the US auto market by storm.

Energy. Most of India's population still has no access to the grid. That is nearly 750 million people. India is unlikely to build a US-style infrastructure, with massive central power stations and grids designed for long-distance transmission. It is much more likely that India will leapfrog to the next generation energy infrastructure:

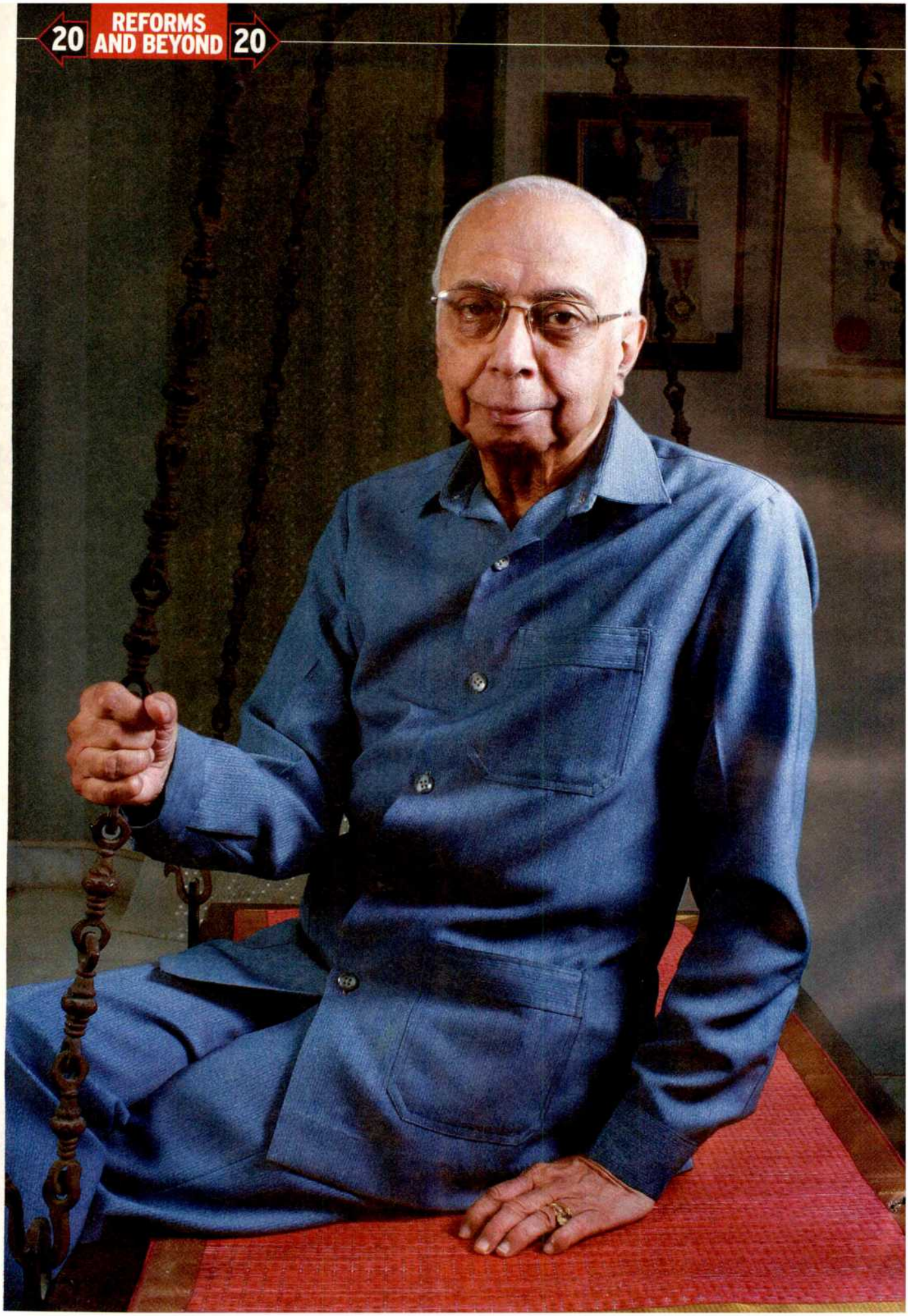
- Renewables. Renewable energy will be a central, not peripheral, part of India's energy solution. It is nearly certain that 10 to 20 years from now, solar and wind will account for a much greater fraction — may be five times greater — of India's energy production than they account for in the US.
- Nano power plants. India is likely to favour thousands of small power generation stations — you have to put a wind mill where the wind tunnels are; you cannot cost-effectively transport wind to a central plant. The country will use natural gas or biogas-powered turbines that are less than one per cent of the size of the rich world's bread-and-butter large gas turbines.
- Energy storage. Power has to be generated whenever there is sun and wind and it has to be stored and released when the customer needs electricity. India, therefore, is likely to invest in cutting-edge battery technologies that can store power economically.
- Smart grid. About 20 per cent of power is lost in transmission in India. India is likely to adopt next-generation smart grid technologies to optimise the delivery of electricity.
- Micro grids. Isolated villages may build self-contained "micro-grids" for power distribution.

Renewables are the future in the energy industry — in poor and rich countries. India can become a leader in global energy revolution.

Health. About 75 per cent of what is spent on health care goes to benefit only about 15 per cent of the world's population. What about the rest? How should we increase the healthspan, not just the lifespan, in emerging economies? In India, for instance, Narayana Hrudayalaya performs world-class open heart surgery for $2,000, compared to the $20,000 to $100,000 it costs in the US. Aravind Eye Hospitals performs high quality cataract surgery for $30, which typically costs $3,000 in the US. The low cost is achieved not because of the low labour cost in India or due to charitable donations from rich countries. Narayana Hrudayalaya and Aravind Eye Hospitals have used process innovation by borrowing concepts like economies of scale and assembly line from the industrial sector, and applying them in health care to bring down costs without sacrificing quality. There is no reason why such approaches will not work in the West. The Obama administration's health care reform is anchored on three principles: low cost, increased access, and quality care — precisely the same three principles in India.

Since the economic reforms in the early 1990s, many Indian companies have grown by making products for rich countries at a lower cost. The time has come for Indian companies to shift focus on the Indian consumers and solve their problems through breakthrough innovations. India has the potential to become the innovation hub in the next 20 years. I next ask CEOs, politicians, entrepreneurs, and youth in India: Are you ready and prepared to create that future? ◆

Prestige
GROUP
Add Prestige to your life
PRESTIGE
THE MAN STORE
ethnic wear | club wear | FORMALS | semi formals | casuals | accessories | bespoke tailoring | fine fabrics
165 Commercial Street, Bangalore | NOW AT UGF, MANTRI SQUARE, MALLESHWARAM, Bangalore | www.prestigethemanstore.com



G.V. Ramakrishna, Former Chairman, SEBI

A TIGHT ROPE BETWEEN GREED AND FEAR

Credit ratings and surveillance have to improve if scams are to be made history

Economic history brings out two broad types of development: the capitalist model exemplified by Adam Smith in the 18th century and the totalitarian model after the Soviet Revolution in the 20th century. Under the capitalist model, the industrial revolution brought unprecedented prosperity. With advances in diverse fields such as industry, transport, shipping, power and consumer goods, the colonial powers reached a standard of living not seen before as the capitalist society developed. The capital markets grew rapidly, and brokers and capital market players emerged to support the growth of a capital-owning class.

At the same time, society felt the negative effects of unbridled capitalism. Various types of fraud came to light, as did social ills such as sweat labour. The word "scam" itself is of unknown origin and means a dishonest scheme or fraudulent practice. The earliest scam, recorded in 1720, was the South Sea Bubble in which large numbers of investors lost their money to scamsters. The British government finally had to intervene to save the exchequer.

Not just that. Shareholding in large companies led to cornering of shares by a few rich owners. Unethical practices were common and the class of robber barons began to emerge in the Western world.

The totalitarian system was not without blemish. There was the privileged leader class, whose lavish lifestyles matched those of the elite of the capitalist society. While the State took care of the basic needs of the people, there was no scope for private enterprise.

Soon, it was clear that both systems needed remedial action by the government. On the one hand, there was a need for the State to play a greater role to rein in profiteering. On the other, there was need to open up opportunities for private enterprise and for less State intervention in economic matters.

The recent scandals in the financial sector in the United States have caused many tremors round the globe. Even in the past, scams in the world's largest economy have arisen from the greed of a few, who bet the money of others on untenable schemes and systems. When these collapsed, the lives of thousands, if not millions, were affected. The list goes on: from

MARTIN LOUIS/www.indiatodayimages.com

G.V. Ramakrishna, Former Chairman, SEBI

Human behaviour is like entropy and tends towards anarchy, while regulations are anti-entropy

junk bond creator Mike Milken to hedge fund Long Term Capital Management to Enron to Fannie Mae/Freddie Mac to the sub-prime bubble that led to the collapse of the likes of Lehman Brothers. This time, the problem was compounded affecting even whole economies — Ireland, Greece and Spain, for instance.

The effects were felt to a lesser degree in better-regulated economies such as India. But Indian entrepreneurs and market players are no less unscrupulous than their Western counterparts. Wealth manager Bernie Madoff's fraud in the US reminds one of Gopala Rao, a former clerk who duped thousands in the princely state of Mysore in the 1940s by offering attractive interest on deposits, and the Sanchaita Investments scam of the 1970s in Calcutta, a Ponzi scheme that made interest payments on exisiting depositors from fresh deposits. Ponzi schemes get their name from Italian scamster Charles Ponzi who set up his business under "Securities Exchange Company" a few years before the US Securities Exchange Commission was set up in 1934.

In the last 20 years, India has seen various types of fraud both against individuals and banks like the Harshad Mehta scam, or against the State, like the 2G spectrum scam.

Nobody now wants to give up all regulation, but at the same time many fear that excessive regulation or incompetent or dishonest regulation may throttle initiative and affect economic growth and private initiative. Many Western countries that were critical of the "excessive regulation" in the developing countries, have now come to realise the need for stronger regulation, and, more importantly, greater vigilance and better enforcement of laws in developed countries.

For those who are still not convinced, there are some important lessons to be learnt from the recent crises in Western countries. These are:

- Governments should live within their means and limit their debt levels to acceptable limits. The International Monetary Fund should monitor the finances of countries with incipient financial sickness and hoist the red flag at the very first sign of danger. Ditto with regulators in a country. For example, the 1996 statement of Alan Greenspan, then chairman of the Federal Reserve, about the "irrational exuberance in the US market", went unheeded by the powers-that-be.
- The methodology of credit rating of companies and governments has to be made more effective.
- Equally, banking systems should be under stricter surveillance of the central banks, which, together with shareholders, should review penalties for individual bank officials responsible for bad lending decisions.
- Stock exchange regulations should be as simple as possible and administered in a transparent manner.
- Insurance, microfinance companies and cooperative banks should be watched closely, as the common man is more likely to be affected by scams in these institutions.
- The government should be transparent in selecting the heads of the market regulators, and involve Parliament and the judiciary. It is a matter of history that the inaugural Chairman of the US regulator, the Securities and Exchange Commission, was a renowned businessman and market player, Joseph P. Kennedy Sr., who did not let his personal interests affect his role as regulator.
- Regulations should provide for initiative and enterprise while at the same time put in place systems that keep market players on the straight and narrow path in the interests of investors. It should be realised that human behaviour is like entropy and tends towards anarchy, while regulations are anti-entropy for keeping order in the financial markets.

Care should be taken, however, to see that the baby is not thrown out with the bath water. ◆

GSIB

GITAM School of International Business

(formerly GIFT)

ADMISSIONS 2011-2013

MBA *(INTERNATIONAL BUSINESS)*

MBA *(INTERNATIONAL BANKING AND FINANCE)*

MBA *(GLOBAL LOGISTICS AND SUPPLY CHAIN MANAGEMENT)*

Rankings:

Business India B- School Survey 2010

- A++ Category B-School

CSR-GHRDC B-School Survey 2010

- 14th in "B-Schools of Excellence"
- 2nd best B-School specialising in International Business
- 2nd best B-School in Andhra Pradesh
- 5th best B -School under Deemed Universities

Eligibility for all Programmes:

- 5o% marks in aggregate or equivalent grade in any Bachelor's Degree (after 1o+2) from a recognized University
- Those awai ting results of Final Year Degree examinations may also apply. However, if proof of graduation is not submitted by 3oth,September 2o11, their admission will be automatically cancelled without refund of fee
- Valid test scores in CAT-2o1o / IIFT-2o1o / XAT-2o11 / MAT-(Sep-2o1o, Dec-2o1o, Feb-2o11) / GET'11 (GSIB Entrance Test 2011) / GMAT*

* **Note**: GSIB is on the approved list of Institutes to receive official GMAT scores

How to apply

- APPLICATION & BROCHURE can be
  - ✓ Purchased at select IMS centres 'or' AXIS Bank branches by paying ₹1000/- by cash
  - ✓ Received by post by sending DD ₹1100/-
  - ✓ Downloaded from our website and submitted duly filled-in with DD ₹1000/- Application can also be submitted online under the icon
  - ✓ ADMISSIONS-2o11"
- All DDs to be drawn in favour of "GITAM School of International Business" a payable at "VISAKHAPATNAM"
- Students applying for GET-2o11 shall submit a non- refundable DD of '500/- along with Application form.

Important Dates

- Last date for receiving filled-in application for GET'11: **31st December, 2010**
- GET'11 Test Date: **23rd January, 2011**
- Last date for receiving filled-in applications with other scores: **28th February, 2011**
- Dates for Case Analysis, GD and PI : **13th,14th March, 2011**

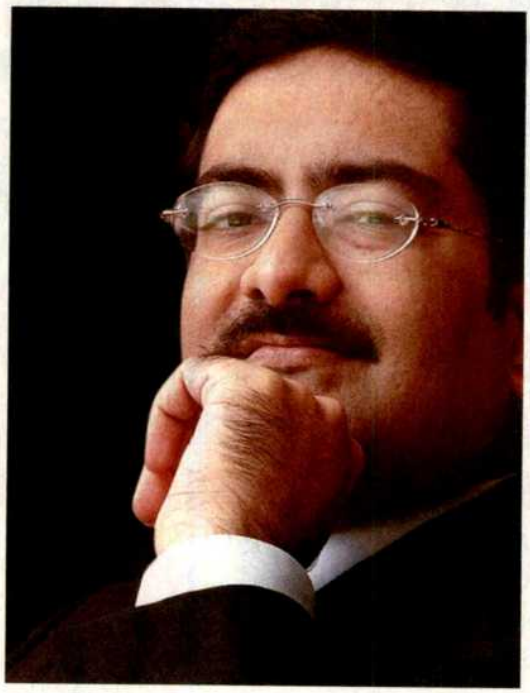
INTERNATIONAL BUSINESS EXPOSURE

- Contemporary IB Curriculum
- International Internship Project
- Core and Visiting faculty with International experience and exposure
- Faculty and Student Exchange Programmes with Burgundy School of Business Dijon, Paris and International University of Paris, Nanterre, Paris

for further details visit our website and contact

GITAM UNIVERSITY
(Estd. u/s 3 of the UGC Act, 1956)

Dr. P.R.S. Sarma,
Professor,Chairperson-Admissions
GITAM School of International Business
Gandhinagar Campus, Rushikonda, Visakhapatnam- 530045
Email: admissions_giib@gitam.edu; Ph:+91-891-2840400/412/413,2790505, Fax:2790036
Please visit: www.gsib.edu.in



15X IN 15 YEARS

Transformed, and ready for the Big Leap

The world has witnessed phenomenal changes over the last 15 years and India has been no exception. It has been a defining period for India in many ways. The most notable achievement has been the acceleration of growth from five per cent plus to nearly nine per cent today. India has emerged as one of the world's new economic success stories in the last 10 years, as the impact of the liberalisation process begun in 1991 achieved a critical mass and made it one of the world's fastest growing economies.

These years have been marked with some macroeconomic shocks as well: the East Asian crisis, the economic sanctions that India attracted when it carried out nuclear tests, the collapse of the dotcom bubble followed by 9/11, the super commodity cycle of 2006, and the subprime lending crisis ending with a deep recession in 2009.

The world's view of business and capitalism has taken a beating because of the economic meltdown of 2008. Governments have moved dramatically to the left of centre in the past couple of years. Almost without exception, governments will now be vigilant in taxing anything that they could define as 'super normal profits'.

So running a business will only get more challenging, in every way. That is the transformed context in which businesses will have to operate in the near future. The financial crisis has triggered more regulations and monitoring processes, and businesses need to prepare for a more regulated environment.

In these 15 years, we have grown 15 times to reach revenues of nearly $30 billion

Fortunately, over the years, the Aditya Birla Group has developed a strong shield against precisely such adversities. We have always lived by a strong moral compass. Today our efforts stand vindicated. In the 15 years since I took over, we have transformed ourselves in some very fundamental ways.

First, every organisation, at some point, needs to import skills from the outside. We too have changed, from a very homogene-

ous group of people with a striking similarity in backgrounds, to a heterogeneous and diverse entity. From barely 10 nationalities in 1995, today our workforce spans 40 nationalities. In many ways then, the group is a melting pot of cultures. We have done this even whilst retaining our values and our distinct identity. Our values — integrity, commitment, passion and speed — provide the organisational glue that binds us together seamlessly.

Second, we have morphed into a youthful organisation. In 1995, the average age of our management cadre was 56 years. Today, it is down to 36. There were few women executives. Today, they account for 17 per cent of the management and supervisory cadre. Gen-Y has grown from just two per cent of our people to 28 per cent. This shift in demographics brings with it a changed set of expectations.

Third, when my father looked beyond the shores of India in the late 1960s to free himself from the Licence Raj, it was truly visionary. In doing so, he earned respect and prestige not only for his own enterprise but also for taking India to South East Asia. Now when we make investments overseas, it is driven by our vision to be a premium global conglomerate with a clear focus on each business.

Nearly 60 per cent of our turnover comes from our global operations. And nearly one-third of our group's 130,000-plus employees are not Indians. We have consciously built a meritocracy and a focus on building star teams rather than individual stars. Few organisations can boast of the competency, passion and commitment that our people show.

After 20 acquisitions in 15 years, and after shedding unproductive assets and divesting businesses that eroded shareholder value, we have emerged fitter, stronger and a leader in many ways. For a group that traditionally followed the organic route to expand, the inorganic stairway to growth through acquisitions was a major departure that has served us well.

Just two examples. Our group's flagship, Hindalco, through a slew of buyouts coupled with expansion at existing sites, has risen to become a metals powerhouse, ranked among the world's top five aluminium majors, with 33 plants in 13 countries. The acquisition of Novelis catapulted Hindalco to the top of the league in the rolled products segment. Hindalco today has become a truly global corporation.

In cement, after a spate of acquisitions and the consolidation of the cement business of Grasim with UltraTech, we are now India's largest cement producer. With the acquisition of ETA Star Cement Company in Dubai along with its operations in the UAE, Bahrain and Bangladesh, UltraTech is now the world's eighth largest cement producer. From a bit player in 1995 with a capacity of 8.5 million tonnes per annum, we have a capacity of 52 MTPA today.

From being primarily in manufacturing, today we also have a considerable footprint in services. Idea is the fastest-growing major telecom player in the world's fastest-growing market. In retail, "more" is the second-largest supermarket chain. In financial services, Aditya Birla Financial Services is a significant non-bank player. Our BPO is among the global top 10 in the non-captive space.

It has become imperative for us to view growth from an altogether higher and different plane and to dream of a bolder future

On the back of strong fundamentals and the gains from our restructuring and consolidation exercise, I believe this is the right time for us as a group to make a quantum leap. It has become imperative for us to view growth from an altogether higher and different plane and to dream of a bolder future. We have every reason to be upbeat, especially if we look back at our past. In 1995, we reported revenues of $2 billion. In these 15 years we have grown 15 times with revenues of nearly $30 billion. ◆

Y.C. Deveshwar, Chairman, ITC Ltd

FUTURE PERFECT

Corporate history is replete with instances of business organisations that have endured the test of time and the challenge of change to emerge stronger and more successful. There are also stories of those that have faltered and faded away, irrespective of their size or ownership. To my mind, the most critical factor in the success and longevity of an organisation is its capacity to remain relevant and contemporary, its ability to anticipate and proactively manage change and its agility to continuously reinvent and reinvigorate itself. These are enduring qualities for any organisation — large and small, family-owned or professionally managed — and often define success over the long run.

Sustainable corporations continuously strive to be future-ready to meet the emerging needs of their stakeholders. How do you create a corporation of the future that will outlive generations with its utility and relevance? It is my strong belief that an organisation's potential for sustainable wealth creation for all its stakeholders is defined by the amalgam of its vision, values and vitality. An inspiring vision is the soul of an organisation and defines its unique corporate character. It serves to impart a larger purpose and meaning to individual endeavour. Such an abiding vision is strengthened by deep-rooted and unshakeable values that drive thought and action. Vision and values are complemented by the robust vitality of an organisation that enables excellence in strategy formulation and execution. This vitality is manifest in the passion of its leadership and human resources, in its capability to identify and seize opportunities, in its culture of innovation and R&D, in the creation of powerful trademarks and brands, and in its ability to produce and deliver world-class goods and services.

The integration of vision, values and vitality in a distinctive blend enhances an organisation's potential for longer-term wealth creation for the benefit of a larger society.

> The integration of vision, values and vitality enhances an organisation's potential for longer-term wealth creation

Today, the challenges that confront businesses go much beyond those posed by competitive markets and dynamic consumer preferences. We live in a world threatened by deep-rooted poverty and widespread environmental degradation. On the one hand, social unrest and even terrorism are consequences of the wide income disparities. On the other, rapid environmental degradation aggravates the threat of global warming. Such unsustainable environments make societies unstable, and can severely impact the future of business and the economy. Business, as an integral organ of society and in enlightened self-interest, can ill-afford to ignore these serious concerns.

Competitiveness as well as profitability will increasingly depend on a company's ability to adopt sustainable business practices. Growing civil society awareness and tougher regulations will drive this change. The challenge for corporations of the future will be to deliver unique customer value propositions and at the same time enable a twin impact — of ensuring a positive environmental footprint and also sustainable livelihoods.

This is a challenging task indeed, but our own experience at ITC shows that it is eminently possible to craft unique business models that can deliver triple bottom line performance by creating economic, environmental and social value. ITC's focus on creating a sustainable corporation of tomorrow has enabled it to become the only company in the world to be carbon positive, water positive and waste recycling positive, besides creating livelihood opportunities for more than five million people.

I am confident that more and more companies will begin to recognise that sustainable business practices are an additional source of competitive advantage. They will innovate, ignite creativity and discover new ways to deliver larger societal value. The future can be more secure as they become the torchbearers of a corporate journey that transcends the 'good' to the 'great'. ◆

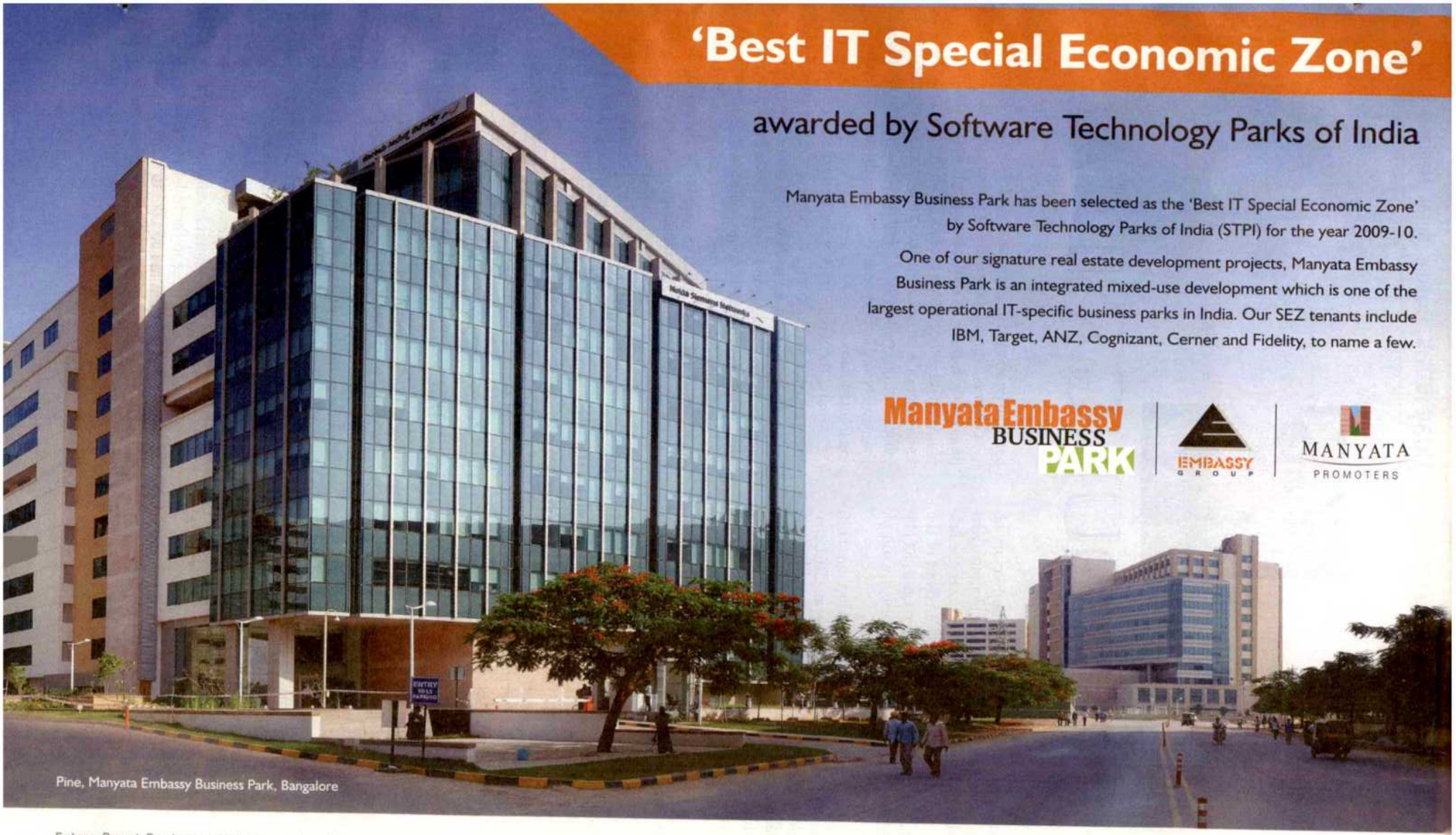
'Best IT Special Economic Zone'

awarded by Software Technology Parks of India

Manyata Embassy Business Park has been selected as the 'Best IT Special Economic Zone' by Software Technology Parks of India (STPI) for the year 2009-10.

One of our signature real estate development projects, Manyata Embassy Business Park is an integrated mixed-use development which is one of the largest operational IT-specific business parks in India. Our SEZ tenants include IBM, Target, ANZ, Cognizant, Cerner and Fidelity, to name a few.

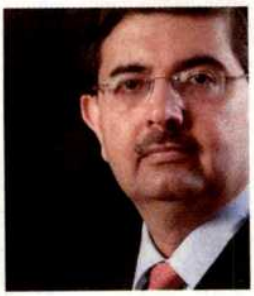
Manyata Embassy BUSINESS PARK | EMBASSY GROUP | MANYATA PROMOTERS



Pine, Manyata Embassy Business Park, Bangalore

Embassy Property Developments Limited is proposing, subject to market conditions and other considerations, a public issue of its equity shares and has filed the Draft Red Herring Prospectus with the Securities and Exchange Board of India (SEBI). The Draft Red Herring Prospectus is available on the website of SEBI at www.sebi.gov.in, websites of the Joint Global Co-ordinators and Book Running Lead Managers at www.ibb.ubs.com/Corporates/indianipo and www.nomura.com/asia/services/capital_raising/equity.shtml and Book Running Lead Managers at http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm and www.edelcap.com. Investors should note that investments in equity shares involve a high degree of risk and for details relating to the same, see the section titled "Risk factors" in the Draft Red Herring Prospectus. This advertisement is not an offer for sale or solicitation of an offer to buy securities in any jurisdiction, including the United States. The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Uday Kotak, Founder, Kotak Mahindra Bank



HELP YOUNG INDIA

Today, as we celebrate the 25th anniversary of Kotak Mahindra, I look at our development as a product of India's reform process over the last 25 years. The economy accelerated out of the so-called Hindu rate of growth and today reports a globally respectable and stable pace. The capital markets are sound, and foreign exchange reserves are rising.

The propeller of India's growth and resilience has been high savings in the urban and semi-urban areas. This, coupled with the global information flow and a demand for quality lifestyles, has meant higher consumption and demand.

Several factors have aided this growth. Entrepreneurship blossomed in the last decade, as exemplified by the information technology sector, and services and related areas in the new age knowledge economy were equally robust. From being laggards, the telecom and automobile industries are today ahead of global standards. The services sector has provided jobs to millions of young Indians. Technology is driving innovation, one example being the way mobile telephony is taking banking to the remotest parts at low transaction costs. Financial services are now within the reach of more people.

At the macro-level, India's robust financial system weathered the global financial crisis without major hiccups. The stock market has generated returns of over 15 per cent per annum for the last 10 years and we can expect this rate to increase in the next two decades. This in turn would help us attract investment, local as well as global.

However, domestic demand and the economy will continue to grow only if we take long-term measures. Infrastructure is not only the key to realising India's potential; it is probably the single-biggest factor in ensuring that the growth is sustainable. A fast-urbanising population of 1.2 billion makes it imperative to speed up project approvals, implement new financing models and attract investors.

India spends a high percentage of its GDP on infrastructure, but this is still less than what several countries in Asia spend, and less than half of what China does. Investment here can be boosted if the private sector plays a bigger role.

Corporate India is changing its global outlook. The approach now is more towards strategic growth with an emphasis on long-term value creation. The key is to grow the India piece of a business and keep a percentage of growth global. A strong reason for this is that capital is now cheaper than ever before for corporate India, and the growth is coming from India.

Around the world, leaders are struggling to meet the imperatives of development in an environmentally sustainable way. India Inc is doing its bit, but we need a national programme for energy conservation, greater use of renewable energy, fuel substitution and pollution abatement.

For the financial sector, the biggest challenge is financial inclusion of the poor in areas without brick-and-mortar banks. The banking system has to develop cost-effective methods to reach out to such people. Growth brings opportunities and we need to help the Young India by promoting small and medium enterprises, self-employment opportunities and education. The financial sector will be judged by how it helps bridge the rich-poor gap.

> The biggest challenge is financial inclusion of the poor in areas without banks

The excitement will lie in creating a system that can generate efficient investments and support growth and poverty reduction. The principle of growth with equity has shaped India's financial sector. The people need financial services and institutions that meet their trust. The financial system must have dynamic supervisory systems that anticipate and manage systemic risks, a strong governance and effective and leak-proof delivery.

With strong underlying fundamentals and a stable macro-economic outlook, India is well-positioned to attract a substantial portion of global capital flows. At Kotak we pride ourselves on being the India experts. We have a unique understanding of the Indian marketplace. We believe this equips us to be a key piece in the India growth story and a serious global player in the decades to come. I am hopeful that 20-25 years down the line we would be a major global bank of Indian roots and BT would speak to us again. ◆

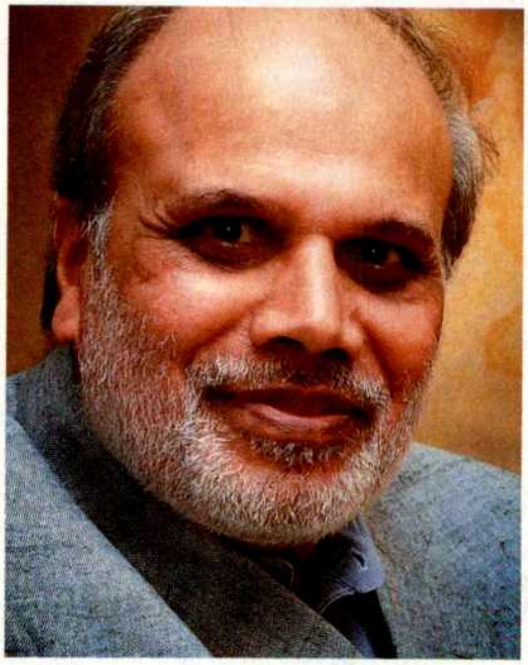
Change brings new opportunities. We'll help you meet them.

As international economies evolve, access to growing markets is vital. With a network covering more than 220 countries and territories, we can simplify international shipping and help you make the most of the global marketplace.

FedEx delivers to a changing world.

experience.fedex.com/growth

FedEx Express



ON THE WORLD STAGE

Indian pharma is on a new high, but it must keep ahead of the G-7 and emerging economies

President Barack Obama's recent trip to India was his longest to any foreign country since the beginning of his term — and why not? The "New India" is a riveting and inspiring story, with the pharmaceutical industry providing a story within a story. Pharma is one sector that not only withstood the recent recession, but also clocked handsome growth and expanded abroad as the world steered itself out of the crisis. In the last five years, India's pharma industry has emerged as one of the world's best manufacturers of generic formulations.

Various industry reports rank India's pharmaceutical market as the tenth-largest by value. What is more pertinent and often goes unnoticed is that the Indian pharma industry has emerged as the third-largest manufacturer by volume. The industry is expected to grow at close to 16 per cent on an average, up to 2015.

Indian players are exploring newer markets and becoming hotbeds of drug research and delivery systems

Indian drug companies are exploring newer markets, and consolidating themselves in the advanced ones such as the United States and Japan. They are also becoming hotbeds of drug research and drug delivery systems. Lupin has emerged as the fifth-largest generic player in the US and is among the top 10 generic players in Japan — the only Asian generic player to achieve those credentials.

Lupin was founded in 1968, born from one man's vision and foresight. The healthcare system was in its infancy and quality was rare to find. Appalling standards of sanitation and pandemic malnutrition set the stage for a high mortality rate, especially among women and children. Diseases and epidemics were rampant.

Indian pharmaceutical companies started by focusing on these epidemics and also on anti-infectives. Over the next two decades, Lupin emerged as one of the

world's largest suppliers of anti-tuberculosis and anti-infective drugs, and a leader in APIs or active pharmaceutical ingredients.

On the policy front also, things were radically different. Pricing of drugs was largely state-controlled. With no meaningful budget allocations for health care, the sector had no incentive to grow.

By the 1990s, India had 70,000 pharmaceutical firms, mostly small and regional ones. In this fragmented market, the organised sector had just about 300 companies, including multinationals. Lupin made its presence felt even during these tough times by participating in the priority programmes of the government such as tuberculosis eradication, and the mother and child health-care programmes.

Then came the liberalisation of 1991. People had more disposable incomes and an improved standard of living. Rising affluence and urbanisation triggered an increase in the incidence of lifestyle diseases such as diabetes and hypertension. Indian players were quick to capture this trend, and the sales of anti-infectives paled in comparison to the revenues earned from cardiovascular illnesses and diabetes. The global competition called for smart strategy, and specialisation and differentiation at every level.

The mid-1990s also saw the first wave of expansion in advanced markets such as the US along with emerging markets in Africa and South East Asia, as the opportunity was too good to miss. Acquisitions abroad helped us evolve into global generic powerhouses. Unlike its Indian peers, Lupin was a late entrant in the US. We wanted to be sure that we had the right products and right segments, at the right time.

Today, Lupin is the fastest-growing generic player in the US. About 70 per cent of Lupin's revenues come from abroad, with the US fetching close to 35 per cent of its overall formulations sales.

We have earned our rights of passage into the global arena and our determination to continue to outperform has never been stronger

If the past is prescriptive of the future, then the years ahead look even more promising. Research will be the single-most important driver of growth. India has emerged as one of the leading platforms for research — clinical trials, generics and process research, or drug delivery platforms, novel drug development and discovery, or biotechnology.

Big Pharma's products pipeline is almost dry and a large number of innovator drugs are slated to go off patent. So multinationals want to participate in the emerging markets. The lines dividing the two have blurred and the empires of the future might well rise from our own backyard.

The greater emphasis on specialisation will also trigger a restructuring of the industry. I feel tomorrow's pharmaceuticals market will have just three types of companies: the research-driven ones, those who focus on the marketing of conventional drugs, wellness and over-the-counter products, and those with a service-led business model.

The first set, the "researchers", will face high risks and high returns. Drug discovery, new biological entities and drugs delivery systems will form their heart. Over the last five years, Lupin has increased its expenditure on research and development to close to 7.5 per cent of its consolidated global revenues. The product-driven companies have a marginal portion of their efforts devoted to research. The service providers will specialise in contract research and manufacturing. Lupin is at the "tipping point" between its heritage and destiny. We have earned our rights of passage into the international arena and our determination and commitment to continue to outperform have never been stronger.

Indian pharma has indeed entered a new league, but it must continue to outperform the G-7 nations and the emerging economies. ◆

Chanda Kochhar, Managing Director & CEO, ICICI Bank

FINANCING GROWTH

Very few countries have witnessed as much transformation as India has in the last 20 years. It is a nation on the move and a force to reckon with on the global stage; indeed, a far cry from the "developing economy" of two decades ago. A nation that struggled with a large population, educated unemployed and brain drain, now sees its people as the key engine to growth.

The entrepreneurial ability of the Indian people has been unleashed. The global technology and communication revolution brought our knowledge capital to the fore. Indian industry reinvented itself; it embraced innovation and competition, substantially improved its financial strength and established global benchmarks in cost and quality.

If the first decade of liberalisation was the story of investments and the second characterised primarily by the consumption boom, the coming decade and the next will have both these drivers — consumption and investment — operating in tandem to propel India on a higher growth trajectory.

We will witness a virtuous cycle of growth with two key fundamental factors — our demographic advantage and strong domestic investment activity. India is one of the youngest economies in the world and even 15 years from now, its median age will be only 30. This would mean a larger share of the population will be able to work and generate income — as also manageable wage costs and growing demand for a range of goods and services. Strong industrial output, corporate performance and sustained growth in the services sector are propelling the economy within striking distance of a double-digit GDP growth.

If sustained, this economic activity will throw up immense opportunities for the financial services sector. Rising income levels and rising aspirations of a larger and powerful middle class will continue to provide opportunities in retail credit. This will only help consumer finance grow and those who innovate and excel in execution will win this demand.

> There will be a greater focus on increasing investment expenditure, especially in areas such as infrastructure

The momentum that the businesses have gathered will only increase in the next two decades. Indian companies will now focus on improving the diversity in their earnings profile, and on scaling up operations. They are not only looking at expanding domestically to cater to the large demand opportunity but are now also competitive at a global level.

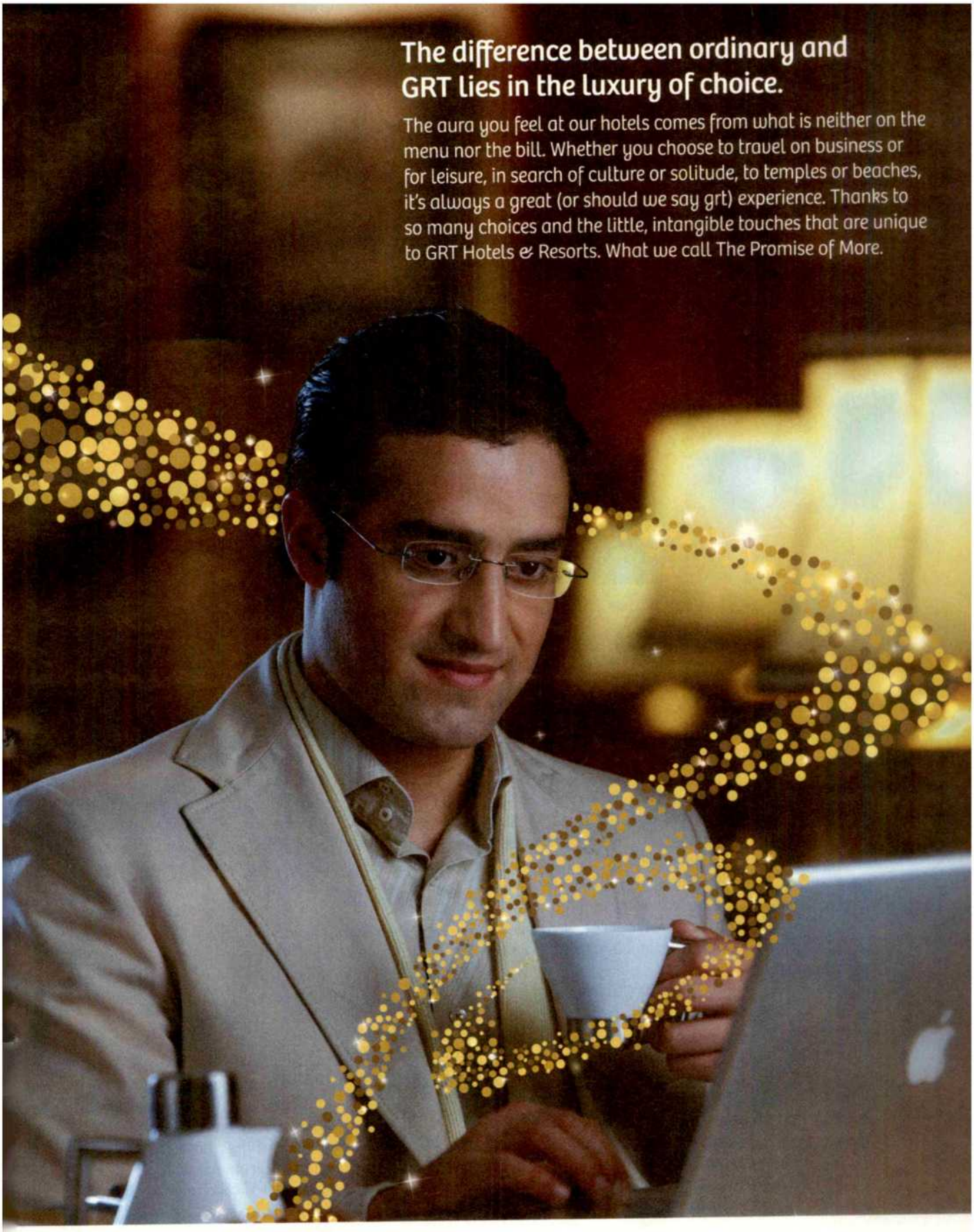
At a broader level, there will be a greater focus on increasing investment expenditure, especially in areas such as infrastructure. Investment in infrastructure is expected to be about $400 billion (₹18,000 billion) in the next three to four years. It is important to note that these investments are being made to meet existing shortages, and will hence be highly viable.

All these factors will provide growth opportunities for banks in terms of project and working capital financing and investment banking, as well as treasury and risk management products.

Poised as we are for such explosive growth, it is important to ensure that this growth is inclusive, that every Indian has the opportunity to engage in meaningful economic activity. We will need to come up with solutions to ensure proper infrastructure, education and health care facilities to our masses.

India faces a paradoxical situation where an opportunity can turn into a challenge if we do not quickly act on it. Our demographic advantage, for instance, can turn into a disadvantage in the absence of health care and skill-building and can cause widening inequality. Similarly, infrastructure investment is an opportunity; but if we do not build the infrastructure quickly and efficiently, the infrastructure deficit will put an increasing strain on economic activity.

To sum it up, the financial services sector is poised for a period of sustained growth. Demand for financial services will be driven by continued urban consumer demand, expansion into underserved markets, corporate investment in India and overseas, and the growing trade and capital flows between India and international markets. ◆

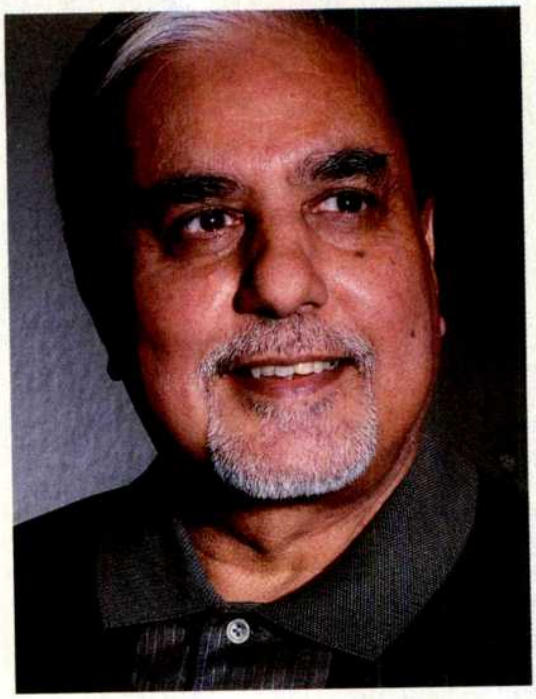


GRT Grand, Chennai | Radisson Hotel GRT, Chennai | Radisson Resort Temple Bay, Mamallapuram | GRT Grand Estancia, Salem
Sunway GRT Grand, Pondicherry | GRT Regency - Madurai, Tuticorin, Kanchipuram | GRT Nature Trails SkyRocca, Yercaud

orporate Sales and Marketing Office: No. 21, 8th Floor, Coats Road, T.Nagar, Chennai – 600017, Tamil Nadu, India
or reservations, contact, Chennai: +91-44-6650 0050 • Bangalore: +91-80-4113 5559 • Mumbai: +91-22-6679 0735
ew Delhi: +91-11-41729572 • Toll Free: 1800 425 55 00 (9 am - 7 pm, Monday to Saturday) • E-mail: crs@grthotels.com

www.grthotels.com

GRT
HOTELS & RESORTS
THE PROMISE OF MORE



ADAPT OR FADE

A churn is imminent in the satellite TV business

When the suggestion of sharing my thoughts for the next two decades first came to me, I paused for a moment wondering how fast two decades had passed for Zee Entertainment Enterprises Ltd. The pace of the developments sank in as I looked around. Before I share my views on the next two decades, I would like to look into the rear view mirror and assess our eventful journey.

In 1990, a casual visit to the office of Doordarshan in Mumbai inspired me to launch a satellite TV channel, even though at one point, I had toyed with the idea of entering the cellular phone business. A school friend in Doordarshan arranged a meeting with the Chief Engineer. This was the focal point in my entry into TV broadcasting, then reserved for the public sector.

When the world including India watched CNN broadcast the Gulf war, I wondered, "Why can't India have its own private satellite channel?" I kept questioning the authorities: "How was CNN allowed?" The answer that I got from the government authorities was: "They were being beamed from a foreign country." I explored the possibility of setting up a terrestrial channel based in Nepal. But we learnt that the signals would not reach the major Indian cities. Finally, after a lot of struggle, assistance came from unfamiliar sources and in the form of a fund from Hong Kong, three non-resident Indian friends and some other venture funds.

> I kept asking: "If foreign channels like CNN and BBC could be viewed here, why not a private Indian channel?"

The existing media companies in India felt satellite TV would not succeed here. Since I did not know anything about the media business, I had no such fears.

Launching a private satellite TV channel meant roadblocks at every stage. When I broached the subject with the then secretary for information and broadcasting, he was livid. "You will introduce consumerism and destroy the country. Your proposal will be cleared only over

my dead body," he thundered. I approached several legal luminaries. All of them shot down my proposal. But I was not going to take a 'no' for an answer and I worked out a strategy. My question was simple. "If foreign channels like CNN and BBC could be viewed in the country, why not a private Indian channel?"

In 1992, I entered the business of entertainment software through Empire Holdings Ltd. The name was changed to Zee Telefilms. It provided content to Zee TV Hong Kong, which beamed the signals into India via AsiaSat. Thus was born Zee TV in India, on October 2, 1992, initially with only two hours of content.

Overnight, we had ended Doordarshan's monopoly. We focused initially on inexpensive programming. The average programming cost was barely ₹30,000 an hour. The formula of cost-conscious programming worked and Zee was an instant success. With soaps like *Tara*, *Hasratein* and reality musical shows like *Antakshari* and *Sa Re Ga Ma*, Zee TV became a hit. In six months, Zee was reaching out to almost 12 million homes across the country.

It was only in 1998-99 that the private satellite TV channel business became legitimate in India. Since then, there has been no looking back for Zee. Today, Zee is available in 167 countries and has a viewership of over 500 million. As the world's largest producers and aggregators of Hindi programming, Zee Entertainment is the parent organisation of some of India's most preferred brands.

However, even after 18 years, the industry is troubled by some issues. For one, I feel there should be some content regulation. One option is that channels regulate themselves. But I am not sure this will work out, going by the irresponsible behaviour of some channels during 26/11 and the Kargil war.

A content code will also bring about some regulation of advertising. It will specify that in an hour's programming there will only be few minutes of advertising. In 1992, only six minutes of advertising was allowed in an hour's programming together with two minutes of in-house promotions. Today, advertising accounts for 10 minutes and content 20 minutes in half an hour.

I think consumer pricing should be an open market and there should be no regulation. The industry cannot grow with such regulation. Channels will continue to dole out poor programming. If channels get more money, the quality of programming will definitely improve.

Positive changes have also happened. The industry has grown exponentially. I was happy to hear about the I&B ministry's plans to tighten the issue of new licences for downlinking and uplinking. Running a TV station should be treated very carefully, because it reaches millions of households.

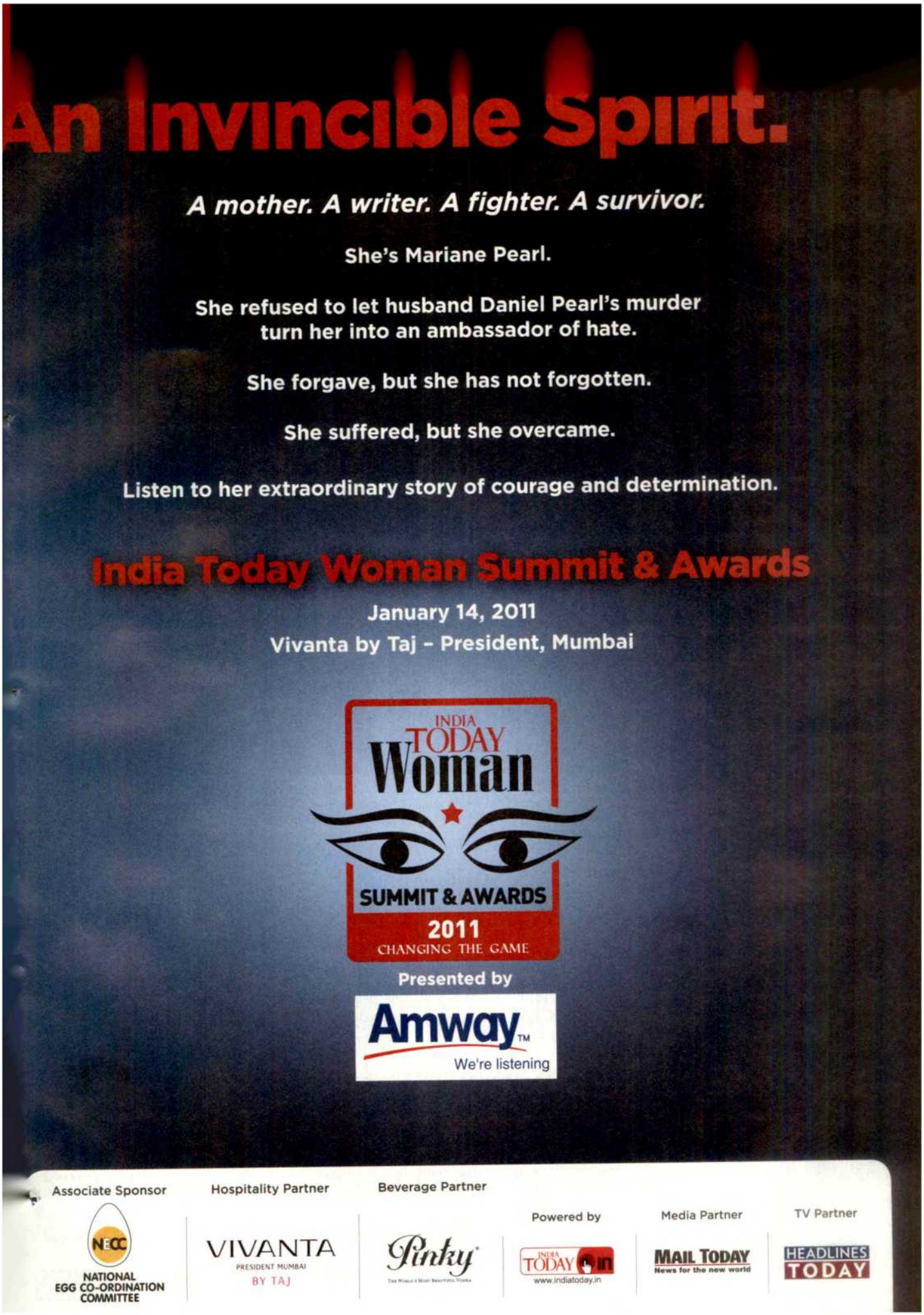
Then, our distribution system is neither well regulated nor well organised. India is said to have 10,000-20,000 cable operators. Not everybody applying for a banking licence is guaranteed to get one. But this is not the case in broadcasting. Today, everyone wants to come into this business without understanding the dynamics fully. There are 450 Indian-origin TV stations and about 180 waiting for clearance. I see a lot of churn and consolidation over the next 10-15 years.

Even after 18 years, the industry is troubled by issues such as the government's role in consumer pricing and the lack of a content code

The broadcast companies have to be very clear and adaptive towards consumer needs if they are to stay in good health. I feel that all broadcasters must come together and analyse their objectives. Advertisers and cable operators are in unison, but broadcasters are not.

Zee will continue to strengthen its portfolio with distinctive offerings and maintain the leadership trend in all its businesses. In the next 20 years, I would like Zee to be the most profitable company with all its channels being either No. 1 or a strong No. 2. ◆

A Mighty Heart.
Mariane Pearl Author, Activist


An Invincible Spirit.
A mother. A writer. A fighter. A survivor.
She's Mariane Pearl.
She refused to let husband Daniel Pearl's murder turn her into an ambassador of hate.
She forgave, but she has not forgotten.
She suffered, but she overcame.
Listen to her extraordinary story of courage and determination.
India Today Woman Summit & Awards
January 14, 2011
Vivanta by Taj – President, Mumbai
INDIA TODAY Woman
SUMMIT & AWARDS
2011
CHANGING THE GAME
Presented by
Amway
We're listening
Associate Sponsor
NECC
NATIONAL EGG CO-ORDINATION COMMITTEE
Hospitality Partner
VIVANTA
PRESIDENT MUMBAI
BY TAJ
Beverage Partner
Pinky
Powered by
INDIA TODAY in
www.indiatoday.in
Media Partner
MAIL TODAY
News for the new world
TV Partner
HEADLINES TODAY

INDIA TODAY WOMAN SUMMIT & AWARDS, 2011

THE INDIA TODAY GROUP

OTHER SPEAKERS

Padma Lakshmi
Celebrity TV Host, Anchor Top Chef, Author

Khushbu Sundar
Actor and Politician

Smriti Z. Irani
Actor, Producer and President, Women's Wing, BJP

Jitish Kallat
Artist

Meera H. Sanyal
Chairperson and Country Executive, Royal Bank of Scotland, India

Vandana Shiva
Scientist, Environmentalist and Organic Food Entrepreneur

Devita Saraf
CEO, Vu Technologies and Executive Director, Zenith Computers

Deepika Kumari
Double Gold medalist at the Commonwealth Games 2010

Sunhil Sippy
Partner, Highlight films

Rahat Taslim
Homemaker turned millionaire

Anuja Chauhan
Author and Former Vice President and Executive Creative Director, JWT

MODERATORS

Aroon Purie
Editor-In-Chief, India Today

Koel Purie Rinchet
Actor and TV Host

Kalli Purie
Chief Creative Officer, The India Today Group

Prasoon Joshi
Lyricist & Executive chairman, McCann Worldgroup India

Tishani Doshi
Author and Dancer

India Today Woman
SUMMIT & AWARDS
2011
CHANGING THE GAME

Presented by

Amway
We're listening

To register, call Summit Desk at *Delhi:* Saurav Parmar (011) 23357087, (011) 23325235; *Mumbai:* Vandana Umrotkar (022) 249835C
Fax: (011) 23316180 or *E-mail:* womansummit@intoday.com, *Website:* www.indiatoday.in/womansummit

REGISTRATION FEE

	Early Bird Offer*	Regular Offer
For Single Delegate	₹ 5,000	₹ 10,000

*Early Bird Offer Valid till December 24, 2010

Associate Sponsor
NECC
NATIONAL EGG CO-ORDINATION COMMITTEE

Hospitality Partner
VIVANTA
PRESIDENT MUMBAI
BY TAJ

Beverage Partner
Pinky

Powered by
INDIA TODAY .in
www.indiatoday.in

Media Partner
MAIL TODAY
News for the new world

TV Partner
HEADLINES TODAY

Ajay Piramal, Chairman, Piramal Enterprises

REMOTE HEALING

It is indeed heartening that President Barack Obama christened us an "emerged" economy and our GDP has grown in excess of eight per cent in successive quarters. What I am more keen to see, however, is how much of this number translates into inclusive growth. How do we ensure an improved quality of life for every citizen of our country? This will depend on improved access to health care, higher quality of education, better infrastructure and employment. The lack of quality health care is jeopardising our biggest strength of intellectual human capital. Reach and affordability remain the two biggest hurdles in the last mile of health care. We have one of the lowest expenditures on health as a percentage of GDP and also one of the lowest numbers of doctors per 10,000 citizens.

There are about 490-odd towns that have a population in excess of 100,000. This comprises just about 40 per cent of the Indian population. Beyond these towns, the access to quality health care deteriorates significantly. Life expectancy in rural India is significantly lower than in urban India. Only two MBBS doctors are available per 100,000 of rural population. According to the National Council of Applied Economic Research, a rural patient in India spends between 1.5 and two times more on health care than an urban patient.

The need of the hour is low-cost but high-impact models that propose innovative solutions to address India's health care crisis. The immediate mandate is for solutions that encompass technological advancements to ensure modern medicare reaches the fringes of India.

Telemedicine is one such revolutionary idea. Although initially considered "futuristic" and "experimental", telemedicine is today a reality and here to change the way we address health care. For a country the size of India, telemedicine allows easy access to remote areas; reduces the time and costs of patient transportation; helps with home care and ambulatory monitoring; improves communications between health providers separated by distance; improves public awareness, disaster management, disease surveillance and programme tracking; and even helps with medical education and clinical research.

The need of the hour is low-cost but high-impact models that propose innovative solutions to address India's health care crisis

We at the Piramal Foundation operate a health care initiative, Piramal e-Swasthya, in rural Rajasthan. Started in April 2008 at Bagar in Jhunjhunu district, e-Swasthya leverages mobile telephony to provide quality health care in remote villages with no appropriate doctor and health care facilities. There are several other successful telemedicine programmes run by the likes of the Department of Information Technology, Indian Space Research Organisation, NEC Telemedicine Program for North Eastern States, Apollo Hospitals, Asia Heart Foundation, public health initiatives like Health Management Research Institute (HMRI), eHealthPoint Services, etc.

Sceptics may argue that this is an idea ahead of its times, but the data proves otherwise. HMRI, which is now supported by Piramal Healthcare as a part of its corporate social responsibility efforts, has registered 1.16 crore patients. Its call centre receives about 45,000 calls on an average per day.

Despite such promising efforts, the challenges are immense. Foremost among these are governmental legislations; the medical fraternity's conviction and support; limited levels of private sector involvement; scepticism among patients; financial, infrastructure and technological constraints; quality; and human resources at the patient-facing end.

McKinsey & Co. projects that spending on health care in India will only rise. About 20 per cent of the Indian population is projected to be insured by 2015. This coverage will convince people to approach a health care centre irrespective of the mode of dispersal. Public-private partnerships, international non-profit organisations and social entrepreneurs can help drive implementation.

India can get to its promise of prosperity only if each one of us plays a role in building a healthy India so that we are able to reap the true dividend of a young demography. ◆

A.M. Naik, CMD, Larsen & Toubro

FACTORIES IN PERIL

India is at an inflection point in its economic development, but for it to grow at a sustained rate of over eight to nine per cent, its manufacturing will need to expand at 12-13 per cent. We need to recognise that manufacturing has been the engine of growth for all developed economies. It contributes just 17 per cent to India's GDP contrasted with over 50 per cent in China and 40 per cent in Thailand.

The multiplier effect works for factories, too. Every rupee invested in manufacturing adds four rupees to our GDP. Besides, it results in the creation of employment even at lower education levels in our population — a wider distribution of prosperity.

The opportunity is there for India to take. It is estimated that manufacturing offshored to low-cost countries will increase to $4.5 trillion, more than three times the levels around 2002. India has the potential to capture $300 billion of this.

In the 1960s, based on manufacturing capabilities and cost structures, manufacturing activities shifted from the US and Europe to Japan for items like consumer electronics and cars. This was facilitated by world-class infrastructure and labour productivity. Later, the production of such goods shifted to Korea, driven by the same factors. In the last 15 years, China has emerged as the centre for mass manufactured products, based on its labour reforms and discipline, and top-notch infrastructure.

India, which has missed several opportunities to develop into a manufacturing centre — save in industries such as auto components — again has the opportunity to be one now. But there is no wishing away the role of infrastructure.

For the manufacturing sector to grow significantly, we need to develop good infrastructure, and our government needs to make the necessary policy changes to further increase the role of the private sector. Joint government and private sector participation in the development of roads, ports, airports, power utilities and urban infrastructure will result in faster execution and higher quality.

Investments in infrastructure also have a multiplier effect on our economy. Good infrastructure will also facilitate the dispersal of manufacturing units away from the major cities, relieving stress on the urban centres. At the same time, roads and ports with easy traffic will enable quick and reliable movement of manufactured goods to markets in India and abroad.

Labour reforms are also required to stimulate investment. If investors have the option of easy exit when businesses do not succeed, they will be encouraged to invest in India. Thus, labour reforms will actually result in the creation of more jobs rather than fewer jobs in the economy, as some politicians and bureaucrats fear. Such enabling policies will go a long way in attracting capital to the manufacturing and infrastructure sectors.

> Indian engineers have been recognised as amongst the best but the benefits of this talent do not trickle enough into our economy

There remains one big risk to Indian manufacturing, still. Indians engineers have been recognised the world over as being amongst the best but the real benefits of this talent do not trickle enough into our own economy. Manufacturing and infrastructure companies compete for talent against the glamour and high salaries offered by employers in the information technology and business process outsourcing, consumer goods and banking sectors.

In effect, especially in the software and BPO sectors, what we are seeing is the loss of engineering talent to multinational companies setting up offshore engineering centres in India — a virtual " brain drain". But, with students not considering manufacturing and infrastructure as preferred career options, the short supply of talent to these businesses could jeopardise our ability to achieve a 12-14 per cent growth rate in these sectors.

At this point, we have every reason to feel optimistic about India's future status as an economic powerhouse. As Indians, we have a responsibility to bequeath our children with a country that is well-developed and economically strong. India needs our talent: this is critical for our national and economic development. ◆

CREATING HISTORY BY BUILDING THE FUTURE

THE SWEDISH defence industry has a history of several hundred years. A history of independent development. Of making defence equipment that have kept the peace and borders secure for Sweden over the same period.

Saab has been a key player in much of that history, building aircraft for the past 75 years. And knows what it takes to make great aircraft.

Today, Saab is revisiting its founding days to look at India as its next home market, where it will collaborate with the robust Indian industry to together create the next generation of technologies and enterprises.

A major step is Saab's Gripen program which signals a quantum leap into the future of aerospace for the Indian Air Force, defence and industrial establishment, designed to make India completely independent of the need to purchase combat aircraft by 2020.

It is time to create a new chapter in the history of aerospace. Together.

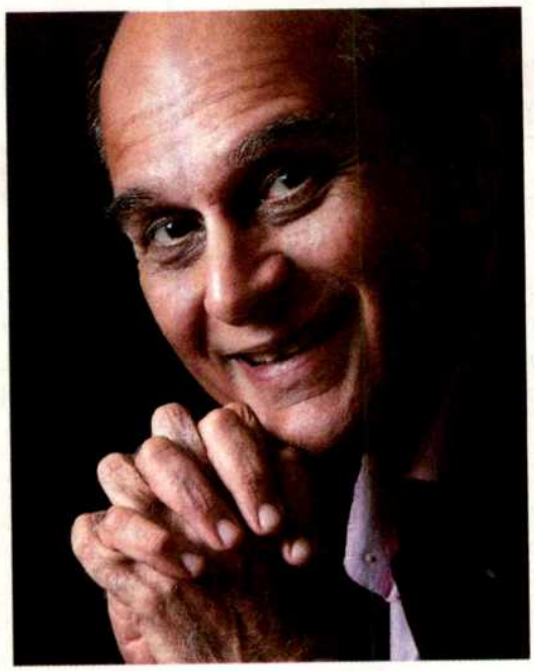
To learn more, visit **www.gripen.com**

NAME **GRIPEN IN**
ROLE **THE INDEPENDENT CHOICE**
FACT **THE WORLD'S MOST ADVANCED FIGHTER AIRCRAFT OF ITS KIND**

www.saabgroup.com

SAAB

Harsh C. Mariwala, CMD, Marico



MORE EXCITEMENT

FMCG will grow strongly and no longer be a defensive sector

Marico in its current avatar was born 20 years ago, but my mind harks back even further, to 1971, when I joined the Mariwala family business, Bombay Oil Industries Ltd. It had three main lines — fatty acids, spice extracts and consumer products. I was asked to handle the consumer products division, which had the yet-to-be-packaged flagships Parachute and Saffola. The franchise was pre-dominantly bulk sales, of about ₹50 lakh, in parts of Maharashtra and Saurashtra.

A fresh graduate, I needed to understand the nuances of the business so I travelled extensively to the interiors to study our distribution and retail operations. I realised that our customers were other companies and intermediaries, who re-sold to retail outlets. Retailers would sell these oils 'loose' to consumers, as was the practice at that time. I spotted the opportunity for branding and introduced consumer packs, for both coconut (Parachute) and refined edible oils (Saffola).

> We must be an agent of social change...I would like to see conscious capitalism gaining ground

Having appointed 200-300 distributors, I implemented an aggressive brand building and retail marketing strategy. We pioneered the consumer packs for oils (Parachute Blue is now almost the industry colour), converted almost the whole of the tin can market into plastic containers and established Saffola as a heartcare edible oil brand. Bombay Oil soon became a profitable branded business. The next goal was to build a fast-moving consumer goods (FMCG) business.

The Marico group today employs nearly 3,000 "members", but, back in 1971, my team consisted of only 10. In 1990, we carved the consumer products division out of Bombay Oil as Marico Industries Ltd. I moved out to lead this new company with a family mandate to address the skill gaps and build a professional organisation.

Marico's challenge then was to build a team of self-driven and competent professionals who would not blindly follow the rules of a family-run business, but move

We congratulate our partners for winning the Deming Prize 2010

When quality wins, everybody wins.

Awarded by the Union of Japanese Scientists and Engineers, the Deming prize is the highest recognition in the world for Total Quality Management. It gives us immeasurable pride to say that National Engineering Industries Ltd. has won the Deming Application Award 2010. The Deming medal confirms that our quality management systems are one of the best, globally. For our customers, this means enjoying consistently superior products and assurance of highest quality for every NBC Bearing they use. NEI stands committed to an endless journey of continuous improvement through TQM.

NBC BEARINGS

National Engineering Industries Ltd., Khatipura Road,
Jaipur-302006, Rajasthan (India) www.nbcbearings.in

C. K. Birla Group Company

Situations/NBC/13/2010

the business into the next growth orbit. I figured out that we could attract such talent only if we could build a differentiated culture that would be entrepreneurial and ensure that individuals developed along with the organisation.

I had started with a strong personal conviction around certain values, and it was exhilarating to translate them into a unique organisational culture.

I wanted to build an organisation in which I was not the only driver of change, or the only owner of achievements. We chose to describe our employees as 'members'. This triggered emotional ownership far beyond the usual employment contract.

At the same time, I felt that the potential of individuals grows exponentially when they are exposed to multi-functional roles. So, we had cross-functional training, job rotation at various levels and international exposure across businesses.

As for the products, we pioneered consumer-friendly packaging for edible oils despite the hurdles. Dealers were apprehensive about stocking our products, as they felt rats would damage the containers. So Marico introduced anti-rodent packaging with flip-top caps. The flip-top was difficult to counterfeit, and made the container spill-proof.

Later, we saw a national opportunity for Saffola, a safflower-based refined edible oil then restricted to the Mumbai market. We highlighted research that consumption of safflower oil helped reduce harmful cholesterol, and promoted Saffola as a heartcare brand. Twenty years ago, Saffola was the first edible oil brand in the country on the 'heartcare' platform. Today, the brand covers other "healthy living" products such as low sodium salt, active rice and oats.

Marico pioneered another business in the early part of the past decade: the Kaya Skin Clinics, which are a blend of the art and the science of skincare. Today, we have over 100 Kaya Clinics, not just in India, but also in West Asia, Bangladesh and South East Asia.

For the next 20 years, I see Marico continuing to grow. The FMCG industry in India is at an interesting juncture. For years now, it has been considered a defensive sector that will grow steadily even amidst economic downturns. Now, it will see strong and continuous growth as India reaps its demographic dividend. Much will depend on how the industry innovates and nurtures its customers. Building long-term consumer franchises will be far more important than making short-term quick gains.

Much will depend on how the industry innovates and nurtures its customers. Building long-term consumer franchises will be important

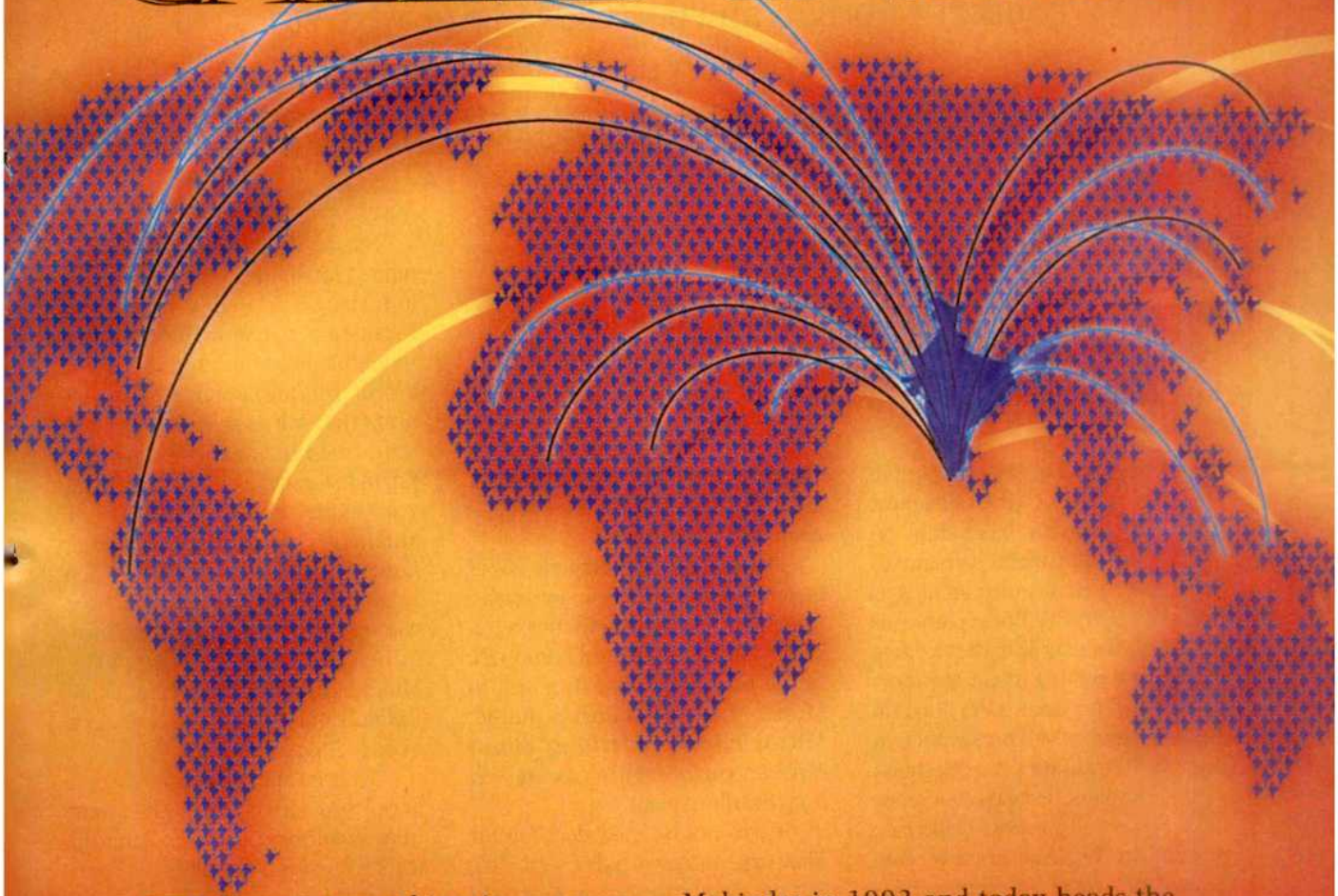
Modern trade could be another growth driver, although it currently contributes only 6-15 per cent of sales for most FMCG firms.

Globally, too, it looks as if the FMCG space will continue to be exciting, especially in emerging markets. Today, Marico's international business fetches a quarter of the group's revenues. I expect this to grow significantly.

At Marico, we realised that we cannot be defined solely by what we do or how successful we are. We need to identify why we do what we do, and what is the very reason for our existence. Our introspection in these areas has helped us define our purpose: 'Be More. Every Day.' Today, Marico is more than a successful business — it is an agent of social change. I would like to see more action in this area by Marico and by the whole industry. I would like to see conscious capitalism gaining ground.

From a relatively small regional oils business, Marico has grown into a leading Indian multinational corporation in the beauty and wellness space. In 1990, we were unlisted. By 2010, we have a market value of over ₹70 billion. I am sure we will keep creating greater value and live up to our purpose... "Be More. Every Day." ◆

A PROMISE CALLED INDIA



There is something in common between Pawan Goenka and Carl-Peter Forster. They are heads of significant Indian automotive businesses with an international overseas presence; and they worked with General Motors, or GM — albeit in remarkably distinct eras and circumstances. Goenka left the Detroit-headquartered manufacturer in the early '90s at a time when GM held sway as the world's largest carmaker by sales. Forster in sharp contrast left months after the maker of cult brands like Buick, Cadillac and Chevrolet plunged into bankruptcy in mid-2009. Goenka went on to join Mahindra & Mahindra in 1993 and today heads the automotive and farm equipment business; Forster joined Tata Motors as group CEO early this year.

The account of Goenka and Forster tells the story. Of Indians returning to their country of origin to ride a wagon whose engine has revved up and is expected to purr vibrantly for at least another 20 years. Of foreigners who have either heard the heady scraping of the pistons of the boom back home; or are seeking to take shelter from the storm raging in the developed world; or both. Read all about these economic migrants in the pages ahead.

HOME IS WHERE THE MARKET IS

They have left plum jobs in the developed world to return to their country of origin and partake of its growth story

Back to the Future

Life has turned full circle for Malay Mukherjee who had left India two decades ago

BY ANAND ADHIKARI

On a wintry evening in 1992, when India was taking baby steps on the reform path, an executive director at Steel Authority of India's Bhilai plant was at a sit-down dinner with the top brass of steel and mining major BHP (now BHP Billiton, after a merger in 2001) in Australia. Malay Mukherjee, then in his early 40s, was part of a delegation visiting BHP plants to learn about new technologies and processes to increase productivity. While dinner was being served, the pager of BHP's deputy managing director began to beep. Later, when someone from the Indian delegation enquired about the message, he showed it to all present. The communiqué was a red flag of sorts to the top brass to warn that emissions were higher than the permissible limit at one of BHP's units.

That was just one eye-opener for the ED from the state-owned steel major. The other revelation for the IIT Kharagpur alumnus: how environment-friendly and technologically-advanced the Australian steelmaker was (after the merger with Billiton, BHP's steel business was hived off into a separate company).

That visit opened Mukherjee's eyes — and his mind. A few months after he returned to India, Mukherjee received an offer from steel baron L.N. Mittal to manage an ailing unit in Mexico that he had just acquired. Mittal knew something about Mukherjee as he used to procure steel from the Bhilai plant.

It was not an easy decision for Mukherjee to leave a public sector job. But the chance to work in more efficient climes convinced him to head for Mexico. He moved in as ED and went on to become CEO of Mittal's Mexican unit. It was a hi-tech plant with an electric arc furnace that was designed to produce two million tonnes of flat steel a year. The big difference: in Mexico, a workforce of 1,800 was needed to make two million tonnes of steel. Back home, the Steel Authority needed 50,000 people to produce two times that quantity. "It was something totally new to me," recalls Mukherjee.

But the Mexico unit was still losing money. Mukherjee was instrumental in turning it around — the strategy became a case study at Harvard. From there, he moved around the world, applying the turnaround touch to sick units that Mittal was buying for a song. In 1996, Mukherjee moved to Kazakhstan where he spent three years as the company's CEO; by 1999, Mukherjee had moved to Europe as head of Ispat Europe. In 2006, when Arcelor and Mittal merged, Mukherjee was appointed to the group management board. Until he retired in 2008, Mukherjee headed the mining, stainless steel and pipes & tubes operations in Asia, Africa and CIS.

"I never left India not to come back," says Mukherjee. He had some hard-nosed reasons for making the trip back to his homeland. The developed world is expected to grow at 1-2 per cent; India can grow in double digits. In September 2008, Mukherjee accepted an offer from the brothers Ruia of Essar Steel to head its steel business, which includes the US, Canadian and Asian markets. Mukherjee, who has visited China at least 40 times in the past 10 years, says India can replicate China's success in manufacturing. "The growth of China is because of its infrastructure. The rest follows." He's in the right place, at the right time — yet again. ◆

Malay Mukherjee
CEO, Essar Steel

PREVIOUS EMPLOYER
ArcelorMittal in the UK

WHY I CAME BACK
I never left India not to come back. It was just a question of right conditions, opportunity and position

IF I WAS NOT IN INDIA
I would have missed out on the most interesting and dynamic phase of development in India

HIGH POINT IN INDIA
Being a participant in the steel industry's rapid changes

LOW POINT IN INDIA
The time you spend on external issues and the resultant loss of productivity. These external issues can definitely be addressed through more clarity in rules

UMESH GOSWAMI/www.indiatodayimages.com

Back Where He Belongs

Gunit Chadha learned the ropes on Wall Street, and is putting that education to good use on Dalal Street **BY KUSHAN MITRA**

If Gunit Chadha was not heading a bank, this son of an army officer could as well have become a colonel or brigadier. A motorcycle accident on the day of the physical exam for the National Defence Academy ensured he ended up graduating from the Indian Institute of Management, Ahmedabad, rather than gearing up to fight wars.

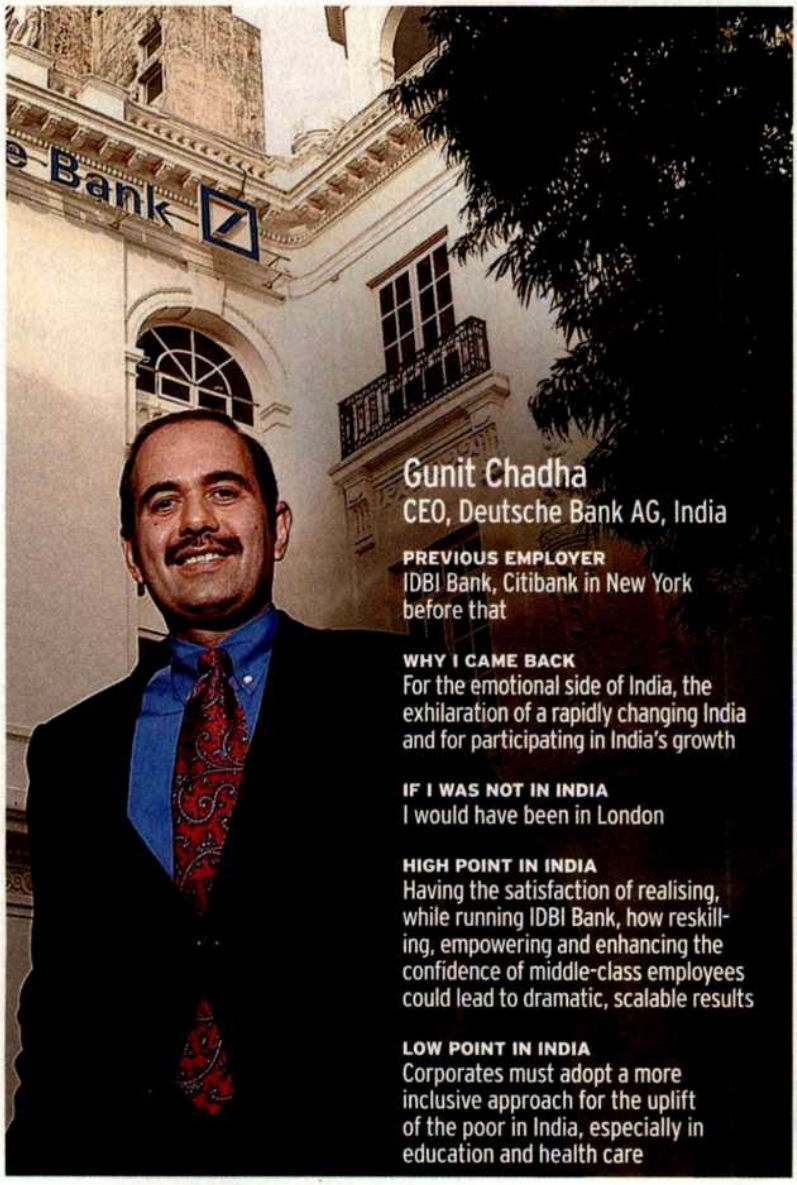
For 15 years after getting his MBA, Chadha was a fairly successful senior banker at Citibank's global headquarters in Manhattan, New York's financial district. Even though he had been in the United States for a fairly short period, his employer's clout meant that Chadha and his family acquired their "Permanent Residency" cards, commonly known as green cards. But like Arnie *The Terminator*, Chadha, too, was pretty sure that "I will be back".

"I had made up my mind to return to India long ago just like I had, very early on in my career, decided that I wanted to work for a certain period of time outside India," says Chadha. The opportunity to be a bigger fish in a rapidly burgeoning pond was also too good to pass up. "When I returned I headed IDBI Bank for two years between 2000 and 2002, which gave me critical exposure to the Indian market. I could sense this feeling of optimism that no Western market has nowadays," he says.

Then, in August 2003, came the big break. Chadha was appointed Chief Country Officer of Deutsche Bank in India; and, in 2005, he went on to become a member of the German bank's Asia-Pacific Executive Committee — a clear sign that the Indian operations were a vital cog in the regional wheel.

"Only in the India of the 2000s could one have started an investment bank from scratch and made it the largest investment bank in the country," says Chadha with a touch of pride. Since he took over, the employee strength has grown from about 500 to over 8,000; and the Indian operations contribute a quarter to the bank's bottom line in the Asia-Pacific region.

His dream run at Deutsche Bank continues. Of the six largest public issues in the past 12 months, Deutsche Bank has played a part in four, including the ₹15,500 crore Coal India Ltd public issue. Now that is one mandate he would not have got on Wall Street. ◆



UMESH GOSWAMI/www.indiatodayimages.com

Gunit Chadha
CEO, Deutsche Bank AG, India

PREVIOUS EMPLOYER
IDBI Bank, Citibank in New York before that

WHY I CAME BACK
For the emotional side of India, the exhilaration of a rapidly changing India and for participating in India's growth

IF I WAS NOT IN INDIA
I would have been in London

HIGH POINT IN INDIA
Having the satisfaction of realising, while running IDBI Bank, how reskilling, empowering and enhancing the confidence of middle-class employees could lead to dramatic, scalable results

LOW POINT IN INDIA
Corporates must adopt a more inclusive approach for the uplift of the poor in India, especially in education and health care

KSB Pumps Limited has completed 50 Glorious Years in India

KSB

Celebrating 50 Years

in India

KSB Pumps Limited part of the 139 year old Global Conglomerate KSB AG having more than 30 manufacturing sites in 19 countries, with an annual sales revenue of approximately Euro 2 billion and more than 14,000 employees around the world, one of the leading producers of Pumps, Valves and Systems has completed 50 glorious years in India.

Pumps • Valves • Systems

KSB in India

KSB Pumps Ltd. for the last 50 years since the inception in India has been customizing and offering products, solutions, systems and service to match needs and expectations of customers from various market segments viz. Power, Industry & Oil, Water, Waste Water and Environment Engineering and Building Services.

KSB India's manufacturing facilities are one of the largest outside Germany and serve as an important sourcing location for the KSB Group worldwide.

Board of Directors - KSB India

KSB India satisfies a large part of the Global requirements for 100 mm Submersible Pumps, End Suction Water and Process Pumps (MEGA), SICCA range of ANSI – Gate, Globe and Check Valves, Pumps for Power and Industry segments – HG, CHTR, WKT, HGM and the new generation MULTITEC, castings and finished components

And this list is bound to grow in the coming years

Pioneering efforts in India

Of the many firsts to the credit of KSB Pumps Limited in India, the first 'first' was a submersible pump – a water pump with a submerged motor, to provide millions of liters of water needed for the green revolution. Thus KSB introduced a concept unheard of to the Indian customer at that time...that of a submersible electric motor running underwater!

After submersible pumps followed many other landmarks- process pumps in back pull – out design, non clog pumps for sewage and solids handling in both conventional as well as back pull- out design, vertical pumps for condensate extraction, high pressure industrial pumps in sophisticated materials and multi stage pumps for boilers and water schemes, pumps for nuclear power plants for the critical duty of transporting the heat of atomic fission from the reactor to generate conventional steam, barrel casting pumps including those for refinery applications and a new series of Gate, Globe and Check type industrial valves to name a few. All these produced with the state of the art technology and sophisticated design, inherited from the KSB Group's 139 year old tradition of competence has made KSB Pumps Limited a benchmark in the Indian pump and valve industry.

And this quest to be torch – bearer by introducing new products and solutions in the Indian Pumps and Valves industry- continues....

Pumps of the 19th Century and 21st Century

Backbone of our progress

We at KSB pumps strongly believe that the main source of wealth is the human mind, human spirit and the human capital. To be successful in the business, we need to ensure the best use of the resources, especially the most valuable resource – the Human Resources.

We do everything to give young professionals plenty of exposure to practice as well as theory. Their fresh know- how blends with the skills of more experienced colleagues to achieve our common goal: to make good products even better and turn customer s into satisfies long term partners.

Today and forever..

Where horizons seem unreachable and goals are harder to achieve, it is eagle who dares to span the unexplored distances. As it regally rides the winds, its gaze piercing the depth, its sheer will to win humbles the skies.

And...KSB India is poised to scale those heights and to conquer those horizons, which befit the power of the eagle through a planned design of our future architecture and by taking confident strides towards a grand tomorrow. We have a vision which will force us to challenge ourselves and stretch our imagination in doing so.

And as we move full flow ahead in the future; it depends upon whose wings we choose to wear....

And whose eyes we choose to envision our goal The eagle has taught us win and KSB India is committed to be "where the eagles dare."

The future is bright for us, as all economic indicators point towards the manufacturing sector being the future driver of India's Economic growth. And KSB India is all geared to take the challenge head on; and continue to be the most preferred supply partner not only in India, but the world over!

Aisha De Sequeira

MD & Head, Investment Banking, Morgan Stanley

PREVIOUS EMPLOYER
Morgan Stanley, New York

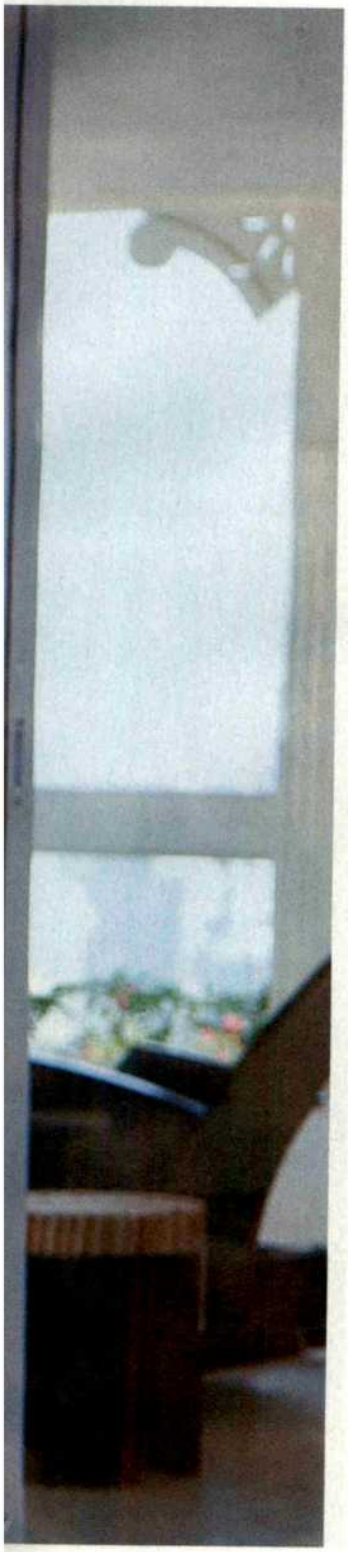
WHY I CAME BACK
Not only because of growth opportunities but to restore the connection with India and have a sense of belonging

IF I WAS NOT IN INDIA
I would be in the US

HIGH POINT IN INDIA
Becoming one of the top investment banks in India after building it from scratch; personally the high point was having my baby in India

LOW POINT IN INDIA
Most of 2008 was a tough year for me because I was new to the Indian market and there was very little opportunity to prove oneself

RACHIT GOSWAMI/www.indiatodayimages.com



They Are Playing Her Song

Dealing with entrepreneurially-driven clients is a refreshing change, and Aisha De Sequeira is taking in every moment of it

BY ANUSHA SUBRAMANIAN

In early 2007, Aisha De Sequeira was called in by her seniors at Morgan Stanley on Wall Street and asked: "Would you like to move closer home?" For the 41-year-old, who was born and brought up in Goa, the offer was alluring; but there was reason to be apprehensive, too. "At that time many (from New York) were being moved to Hong Kong as there was a lot of activity in M&A there. I was clear I was not interested in going to Hong Kong. But, if the opportunity was right, I was okay with going to India," explains De Sequeira.

The opportunity was right. In February 2007, Nimesh Kampani's JM Financial announced that it was ending its joint venture with Morgan Stanley in India. "By November 2007, I was in India as head of investment banking for Morgan Stanley. It all happened very quickly," adds De Sequeira.

After completing her engineering from the Goa Engineering College, De Sequiera left for the United States to do her management studies at the Yale Business School in 1993. Thereafter, began a 13-year ride with Morgan Stanley in New York. In the summer of 1994 De Sequeira joined as an intern in the investment banking division. By 1995, when she graduated from Yale, she was an associate. A year later, she moved into the M&A group. The pace had begun to quicken. "I was dealing with CEOs of large companies at a very young age. I was fortunate to be in the M&A team at a very early stage of my career," says De Sequeira.

De Sequeira got a chance to execute a range of financial advisory assignments, including cross-border, mergers, buy side, sell side and restructuring mandates. By early 2000 De Sequeira started working with big names in consumer goods such as Unilever and PepsiCo. That was the first time she got a chance to interact with the emerging market — and Indian — operations of these companies. "Till then I had absolutely no exposure to Indian or Asian businesses," says De Sequeira, who made a couple of trips to India four years ago.

Perhaps that was the time De Sequeira sensed the vibrancy in developing markets such as India, which might have later convinced her that moving to India was the right decision. Her husband Roy De Souza made the task to return easier, as his advertising technology firm Zedo has operations in the country.

The return to India proved to be a baptism of fire. By early 2008, the stock markets tumbled as the world woke up to a credit crisis of mammoth proportions. De Sequeira was in a virtually alien market, still trying to come to grips with it both on the professional and personal front. Today, she is more self-assured. "I like the entrepreneurial spirit and environment here. There are so many opportunities for growth in so many different areas and companies are doing exciting things in order to capture that," she points out.

De Sequeira is glad to be in India for the vibrancy of its market, for the fast pace of decision making — as well as for some simple pleasures of life like walking across the road to gulp down some *paani puris*. She says she is here to stay, and it is hard to disagree. ◆

Warm Comfort

Zubin Irani has returned to India twice — and it seems unlikely there will be a third time

BY SAUMYA BHATTACHARYA

Do the tough things that no one else wants to do." Armed with this advice from his father Jamshed J. Irani, a director with Tata Sons, Zubin Irani left India immediately after acquiring an engineering degree from IIT Kanpur in 1996. His first stop was an auto component firm in Ohio in the United States, The Timken Company, where he worked for close to a year. He then went on to join the Massachusetts Institute of Technology (MIT) to acquire a degree in material sciences and, eventually, in 1999 started working at McKinsey in the United States.

By 2004, Irani was back in India, as Associate Principal with McKinsey. A year later he joined United Technologies, or UTC, as head of Marketing and Strategy at its Asia-Pacific office in Singapore. But Irani was back home in 2006 as head of UTC group company Carrier Aircon, which was subsequently rechristened Carrier India.

The trigger for the return was a mix of personal and professional. "One, I wanted my two boys to spend more time with their grandparents. Two, India was the growth market to be in at that time... I wanted to understand this market," says Irani, now Senior Managing Director of UTC's India operations.

When Irani began working in India, the biggest revelation for him was "people". Some of the biggest learnings and challenges for Irani came from people — his customers and employees. That he was starting at the top in his first job in India prompted Irani to make some unconventional moves. For instance, customers were encouraged to write to the MD (Irani) directly. That helped Irani learn one of his first lessons in India: If you are in touch with customers regularly, you end up having higher levels of customer satisfaction.

The next challenge was the employee. When Irani came to India, 60 per cent of his time was spent in retaining and managing people. Lesson No. 2 in India: Be visible within the organisation. Communication is most important for employees. Today, Irani is thinking of starting a blog for the same purpose. "When I look at the work culture outside of India, people are committed to work but the connect is simply efficient and nothing more. After work, it is a different life for the employees." Whereas in India, Irani realised, the workplace is a part of life for employees. "You get great returns if you invest emotionally in your employees in India," he says.

From the business point of view, customer requirements in India are changing faster than in most other global markets. The focus is shifting from cost to green, infrastructure is evolving, power supply is inconsistent. Winning companies need to invent a new business model in India, according to Irani. "You need innovation and localisation to address the Indian market. You have to invent a new supply chain for India. The rest of the world can learn innovation solutions from India," he says.

Irani is proud of what the Carrier India team has achieved over the past five years: Revenues have more than doubled and profits have grown enough. During his tenure, customer satisfaction and employee engagement scores were at an all-time high. He hopes to replicate his Carrier experience at the parent, UTC.

A key high point in Irani's life has been the proximity to his parents and immediate family. Luckily, for Irani, there were hardly any adjustments needed in terms of education of kids and the family settling in. "My children were very young when I moved to India." As was the high-growth phase of the Indian economy. ◆

Zubin Irani
Senior Managing Director, United Technologies, India

PREVIOUS EMPLOYER
United Technologies in Singapore

WHY I CAME BACK
Two reasons. I wanted my children to spend more time with their grandparents. India is a growth market and I wanted to understand the market

IF I WAS NOT IN INDIA
India was the country that brought me back to Asia. Though I did move to Singapore for a short duration, India it was for me

HIGH POINT IN INDIA
Carrier India more than doubled revenues in five years; also very high customer satisfaction and employee engagement. Personally, a key high point has been the proximity to my parents and immediate family

LOW POINT IN INDIA
None

SHEKHAR GHOSH/WWW.INDIATODAYIMAGES.COM

On the Home Stretch

Jeya Kumar, who has lived most of his life overseas, has his path chalked out in India till retirement — and beyond **BY ANUSHA SUBRAMANIAN**

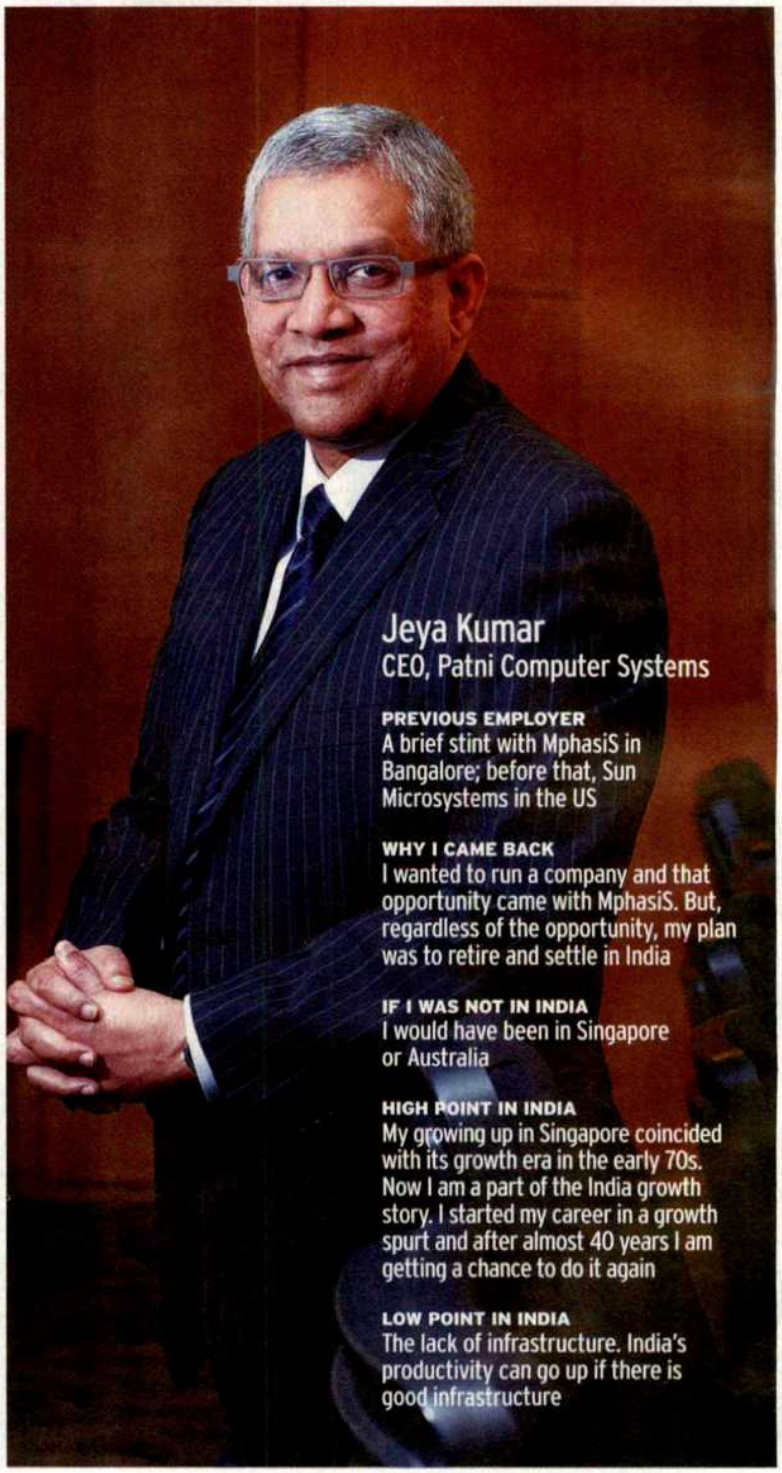
From the land of milk and honey to the small town of Puttaparthi in the Anantapur district of Andhra Pradesh might seem an unlikely journey. But Jeya Kumar, who has worked in Australia, Singapore, Japan, Holland, the United Kingdom, Mexico and the United States, has a wish to retire and settle in the town that is the residence of spiritual teacher Sathya Sai Baba.

Before he does that, though, Kumar has some unfinished business: as CEO of Patni Computer Systems, his mandate is to narrow the gap with Tier I IT services majors like Infosys, TCS and Wipro. He has the right credentials to take on that challenge.

Born and brought up in Singapore, Kumar had, till a couple of years ago, lived abroad all his life. An MBA from Australia's Curtin University, his biggest break came when he was put in charge of Sun Microsystems' $5-billion software services business at the headquarters in Santa Clara. Kumar stayed for 14 years at Sun before feeling the itch for a career — and perhaps even a country — change. In 2008, he was called in to take charge of MphasiS in Bangalore. Eight months later, Narendra Patni, founder of Patni Computer, who was looking for a CEO with an Indian face and global experience, hired Kumar.

Kumar considers himself lucky to be at the right place at the right time. "When I was growing up in Singapore it was the growth era for Singapore in the early 1970s. Now I am in India and participating in its growth story. That is a unique experience."

He is enjoying the ride so far. "My plan is to be in India for a long time and therefore I have applied for PIO (Person of Indian Origin) status. My kids are all grown up and settled in Australia; but the long-term plan of my wife and I is to be in India." ◆



Jeya Kumar
CEO, Patni Computer Systems

PREVIOUS EMPLOYER
A brief stint with MphasiS in Bangalore; before that, Sun Microsystems in the US

WHY I CAME BACK
I wanted to run a company and that opportunity came with MphasiS. But, regardless of the opportunity, my plan was to retire and settle in India

IF I WAS NOT IN INDIA
I would have been in Singapore or Australia

HIGH POINT IN INDIA
My growing up in Singapore coincided with its growth era in the early 70s. Now I am a part of the India growth story. I started my career in a growth spurt and after almost 40 years I am getting a chance to do it again

LOW POINT IN INDIA
The lack of infrastructure. India's productivity can go up if there is good infrastructure

UMESH GOSWAMI/www.indiatodayimages.com

www.indelox.com

Unrivalled in end-to-end supply chain management expertise, in India. Our global clients agree.

m-and-m.in

Well connected. In-depth domain knowledge (over 100 man years). State-of-the-art technology. Complete understanding of all regulations, taxation, documentation and compliance mandates in the country. All these and more make Indelox one of the safest, most reliable and experienced supply chain and logistics management companies in India. It's not surprising that several international companies insist on working only with us. It's not just our expertise but our commitment that's unmatched. Call us and we'll deliver the world at India's doorstep for you too.

Indelox
Services Pvt. Ltd.

TRUSTED BY THE WORLD. DRIVEN BY TECHNOLOGY.

INDELOX SERVICES PVT. LTD. #31/1, Sitarampalya, Mahadevapura Post, Graphite India Rd, Bangalore 48. India, Phone: +91 80 4082 4600 / 4149 5614, Fax: +91 80 4082 4618

INTERNATIONAL TRADE | DOMESTIC AFTER MARKET SERVICE AND SPARES LOGISTICS | TAXATION REGULATORY COMPLIANCE UNDER EXPORT PROMOTION SCHEMES | IT ASSET MANAGEMENT | COMMERCIAL BONDED WAREHOUSING | COMMERCIAL DOCUMENTATION | KNOWLEDGE PROCESS OUTSOURCING

You Ain't Seen Nothin' Yet

The man who bid adieu to America five years ago says India's best is yet to come

BY ANAND ADHIKARI

Sometime in the middle of 1996, Sameer Sain was greeted with a clipped phone call. "Get ready to go to India," the voice intoned. Next, this young Associate at Goldman Sachs was on a Mumbai-bound flight with Hank Paulson, the then Vice Chairman of the Wall Street bank (who later became its Chairman & CEO, and after that Treasury Secretary of the United States). Sain had to accompany Paulson to sign a joint venture agreement with Indian dealmaker Uday Kotak.

Sain joined Goldman in 1995 after completing a BBA from the University of Massachusetts and an MBA from Cornell. "There were many Indians at the firm," recalls Sain, a British citizen who grew up in Mumbai. But India as a market was hardly worth considering then for most of them.

Sain left India in 1990 thinking it was for good. But when Indian companies began making global acquisitions, he knew he had to take a closer look. "People abroad started believing in India," says Sain, who was also witness to Goldman's ground-breaking report on BRIC countries — Brazil, Russia, India, China — way back in 2003 that talked extensively about the India opportunity. "I didn't believe in the India story then," says Sain, frankly. The co-author of the BRIC report, Roopa Purushothaman, today works for him at Everstone Capital, a company he founded along with another Goldman honcho, Atul Kapur, in 2006.

Back in the early 2000s, however, Sain was a distant spectator to reforms like relaxations in foreign direct investment and increased interest among foreign institutional investors. "We started learning more," says Sain who was then Managing Director (Investment Banking Division) and Head of Institutional Wealth Management at Goldman.

By end-2005, Sain had to make the decision of his life. The global professional with a British passport and an American wife wanted to come back to India. His wife burst into tears when she heard this. "Are you mad," was her first reaction. "She married me never thinking that she would have to settle down in India," says Sain, who spent almost 11 years at Goldman across the US and Europe.

The best thing Sain could have done was to catch up during an India visit with an entrepreneur who had grown along with the reforms process — Kishore Biyani. Over lunch Biyani, a family friend, convinced Sain to pack his bags and head home. "*Tum abhi nahin karoge to kabhi nahin karoge*," Biyani told him, which translates into: "If you don't do it now, you will never do it."

Sain joined hands with Biyani to co-promote Future Capital Holdings to exploit synergies between organised retail and financial services products. But that venture lasted only three years as Biyani wanted to stay focused on the consumption side whereas Sain's skills lay more in investing. He is still a minority shareholder in Future Capital, but Everstone Capital, which has dedicated private equity and real estate funds, is familiar territory for Sain.

For Sain this is just the beginning. "We are about to see the most unbelievable decade in India. We haven't even started," he says, adding that the year 2010 is only "the end of the beginning". ◆

RACHIT GOSWAMI/www.indiatodayimages.com

Sameer Sain
Founder Director, Everstone Capital

PREVIOUS EMPLOYER
Goldman Sachs in the US

WHY I CAME BACK
The sheer India opportunity fascinated me and convinced me to become an entrepreneur

IF I WAS NOT IN INDIA
I would have regrets

HIGH POINT IN INDIA
Is yet to come. It has been a steady rise

LOW POINT IN INDIA
It comes every day when I look out of my car window and see inequality all around

Avanti II

Fly Different

Speed	Costs	Size	Sound
402 Kts 745 Km/h 463 mph	33% less	Cabin size - Simply Enormous	Tranquil Only 68 decibels

Operating Costs Matter.

More than ever in today's personalized aviation environment Operating Costs matter – but then there are all the compromises that occur when you look to lower them. Not so with the Piaggio Avanti II. A maximum speed of 402 kts (463 mph, 745km/h), a whisper quiet environment to work or relax in and a full stand up cabin space that is simply enormous. Everything you've come to expect of a personalized aircraft but with Piaggio Aero you'll also enjoy 33% lower operating costs too.

Fly Different – Fly Piaggio Aero and discover why flying with us will significantly lower your operating costs but ..... with no compromises.

New York AIRCRAFT ASSOCIATES

PIAGGIO AERO

Contact us to get more detailed information | 29, Presidential Estate, Nizamuddin East, New Delhi - 110013, India

Highway to the Growth Zone

Pawan Goenka returned to India to rewrite the rules of auto engineering.

BY KUSHAN MITRA

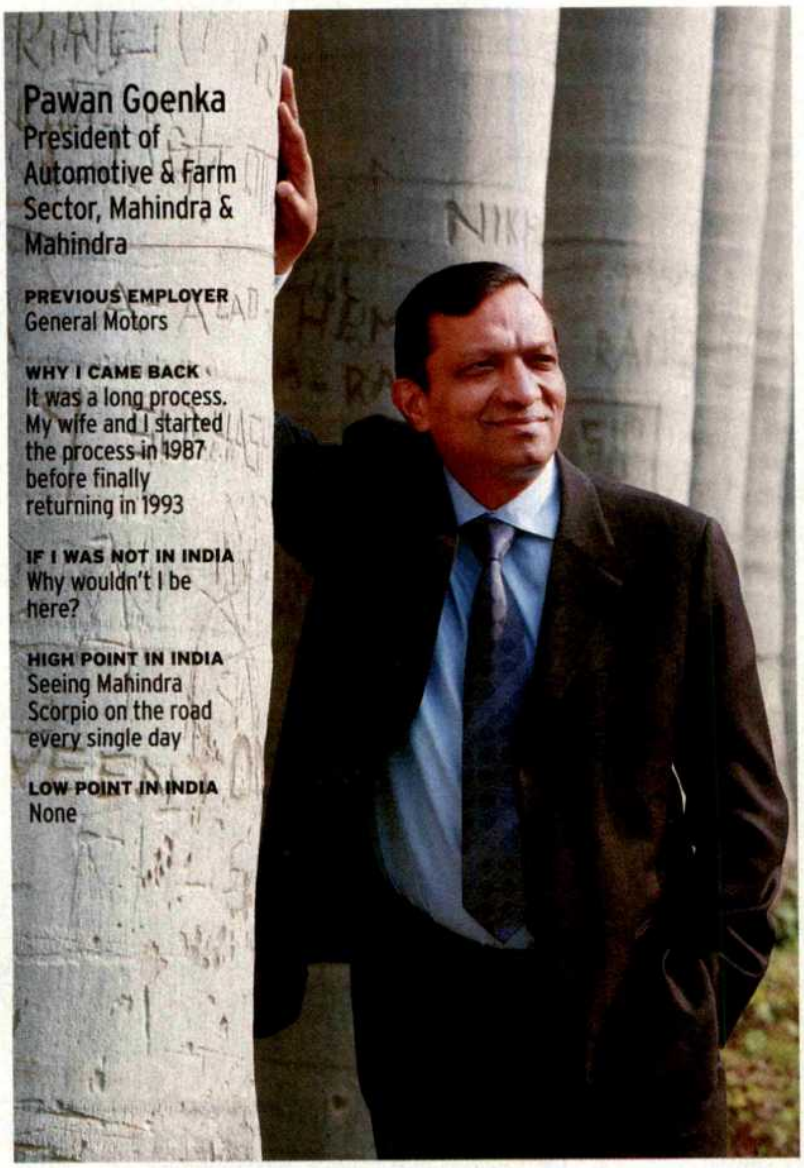
In 1975, after finishing his undergraduate engineering degree at the Indian Institute of Technology, Kanpur, Pawan Goenka sat for a job interview with a 'large Indian conglomerate' and was shocked when he did not get a job offer. When he inquired why, he was told: "People with your marks always go abroad and we have to call the highest ranking students to the interview as well." And that is exactly what came to pass, later that year. Goenka and a few of his classmates from IIT found themselves at Cornell University in New York.

It was the beginning of an 18-year stint in the United States where Goenka did everything that most émigrés did those days: settle down, get married and start a family. But after some time, Goenka and his wife started to discuss whether they wanted to raise their young family in the US. It was a six-year-long process, beginning in 1987. "We had to move when we did because my daughter, who was eight when we moved, would have been too old and too integrated into American life had we moved any later."

But Goenka did make one promise to his daughter — that if in 18 months she did not like life in Mumbai, the Goenka family would pack up and move back to the US. Thankfully for everybody who drives a Mahindra Scorpio, she loved life in India. "I joined the Mahindras not knowing that one day I would develop a car. A car that told the world that India could develop and make a good, reliable vehicle. I joined because I bought into Anand (Mahindra)'s vision which he personally sold me."

Today, Goenka does no engineering work, but he enjoys the managerial role that he has. "I think the three stages of my career have all been different and all thoroughly enjoyable." His daughter and son did go back to the US to study, but he proudly says that his daughter is coming back soon and his son will return when he finishes his studies. "Many of my friends from IIT stayed on, and they had their reasons, but I think coming back to India was one of the best decisions I have ever taken," says Goenka.

He not only became the father of the Scorpio but played a role in reinventing automotive engineering here. Today, he states that more and more young Indian engineers are choosing auto engineering as a career path and seeing tangible results of their work on the roads "is one of the best kicks you can get". ◆



Pawan Goenka
President of Automotive & Farm Sector, Mahindra & Mahindra

PREVIOUS EMPLOYER
General Motors

WHY I CAME BACK
It was a long process. My wife and I started the process in 1987 before finally returning in 1993

IF I WAS NOT IN INDIA
Why wouldn't I be here?

HIGH POINT IN INDIA
Seeing Mahindra Scorpio on the road every single day

LOW POINT IN INDIA
None

VIVAN MEHRA/www.indiatodayimages.com

ADMISSION OPEN

Post Graduate Programme in Infrastructure Management

PGPIM 2011 -12 : Third Batch

Highlights

- A unique, one-year residential PGP launched under the leadership of **Dr. Bakul Dholakia** (former Director, IIM, Ahmedabad)
- Curriculum designed by eminent academicians and professionals
- Programme Delivery by a large inter-disciplinary team of senior & eminent faculty with relevant Research & Industry experience.
- International Study Visits to China and Indonesia for global exposure to large infrastructure projects.

Broad Programme Design

A rigorous full time residential programme involving 695 sessions of 75 minutes each spread over 50 weeks:

Module	Sessions
18 Core Courses in General Management	: 290
15 Core Courses in Infrastructure Mgmt.	: 215
07 Elective Courses	: 140
Study Visits to Infrastructure Projects	: 50
Total sessions	**: 695**

Eligibility

- A Bachelor's Degree or equivalent in any discipline
- Minimum 25 years of age.
- GMAT or CAT score obtained after January 01, 2007.

Important Dates

Event	Cycle 1	Cycle 2
Last Dates for Receipt of Application	**February 10, 2011**	April 11, 2011
Interviews	At respective centers during mid-February to mid-March, 2011 over weekends	At Ahmedabad on April 23 and/or 24, 2011
Programme will commence on July 21, 2011		

100% Placement for the First Batch

in reputed Infrastructure Companies with more than 100 % increase in average salary. 29 reputed Infrastructure Companies participated in the campus recruitment process and made 35 offers. Average job offers exceeded 1.6 per participant.

AIIM

Adani Institute of Infrastructure Management (AIIM), Ahmedabad

For details, please visit our website or contact Mr. Ashok Shah (CAO) on 079-2555 5684 or 099099 60240 or email ashok@aiim.ac.in

APPLY ONLINE ON **www.aiim.ac.in**

New York State of Mind

Murari Rajan misses the melting pot, but he is at home with the action on The Street.

BY SAUMYA BHATTACHARYA

After cutting deals on Wall Street for 20 years, Murari Rajan decided it was time to head back to the land of his birth. Two factors were responsible for that decision. One, the only child wanted to get back to be with his parents — after all, he was away from home for 25 years. Two, Wall Street had lost its charm and reverence, and was increasingly beginning to resemble a disaster area. In September 2008, the month Lehman Brothers collapsed, Rajan joined Piramal Enterprises as Executive Director, heading mergers & acquisitions, or M&As, and corporate development out of Mumbai. "Having been in the United States for such a long time, I wanted to try something new and participate in a more vibrant environment," says Rajan.

He has worked with McKinsey, Credit Suisse, JP Morgan and was Managing Director at financial advisory Harmon & Co. in New York, which was founded by a former EXIM Bank chairman. Rajan has also worked for several years at Wolfensohn & Company, an M&A boutique founded by a former president of the World Bank. In an unusual shift, he worked as a consultant with headhunting company Egon Zehnder International in New York, his last stint before returning to India.

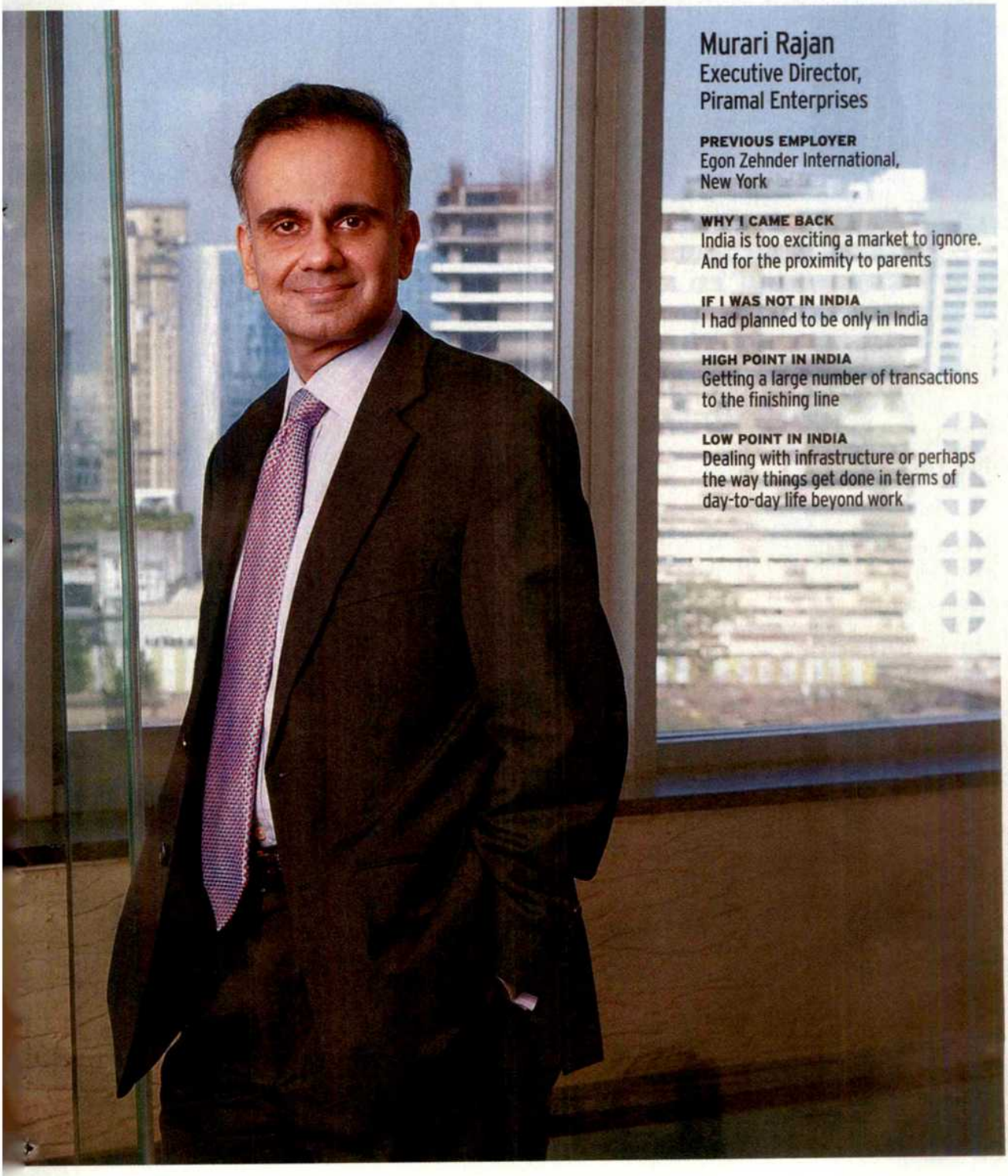
Clearly, Rajan had observed that billion dollar transactions — outbound and inbound — were no longer novelties in India, and that Indian promoters were less emotional about selling businesses and more aggressive about developing a global footprint than before. "I was definitely looking for a platform that had an M&A-driven environment." A senior manager at an executive search firm says that Rajan was wooed into his current role simply because he has a reputation for stitching high-end deals. Ajay Piramal, who has built an empire largely via inorganic growth, knows a thing or two about buying and selling businesses. As far as perfect fits go, it cannot get much better than Piramal and Rajan.

It is not as if Rajan was not wary of what could be in store for him. From Wall Street to a promoter-run family business could result in more than a few awkward situations. More than two years later, Rajan has few regrets. "The speed of decision making is a pleasant surprise," he says.

The environment, too, was pretty alien. "I was not even coming back to the city I had grown up in (Chennai)," says Rajan. After living in the West, there is a certain level of efficiency that you begin to expect that you may or may not get in India. "At the end of the day, one has to try and adapt to the local environment," says Rajan, who is single. What helped was the sense of acceptance within the organisation.

In the last three years, a sizeable number of people of Indian origin who have worked abroad have approached Rajan wanting to come back. A confident Rajan predicts that this reverse brain drain will continue for at least the next seven years. Rajan will probably dole out the same advice to those on the way back that a number of his mentors gave him when he came to India. Which is to "act locally and think globally". "That is the best advice I could have got," he says.

There are times when Rajan misses the "melting pot called New York," and the multicultural environment in investment banking there. But then he also plans to explore the various cultures of India. That will keep him busy for a long time to come, but with deal-making taking all of his time, the ace deal-maker has saved those activities for another day. ◆



Murari Rajan
Executive Director,
Piramal Enterprises

PREVIOUS EMPLOYER
Egon Zehnder International,
New York

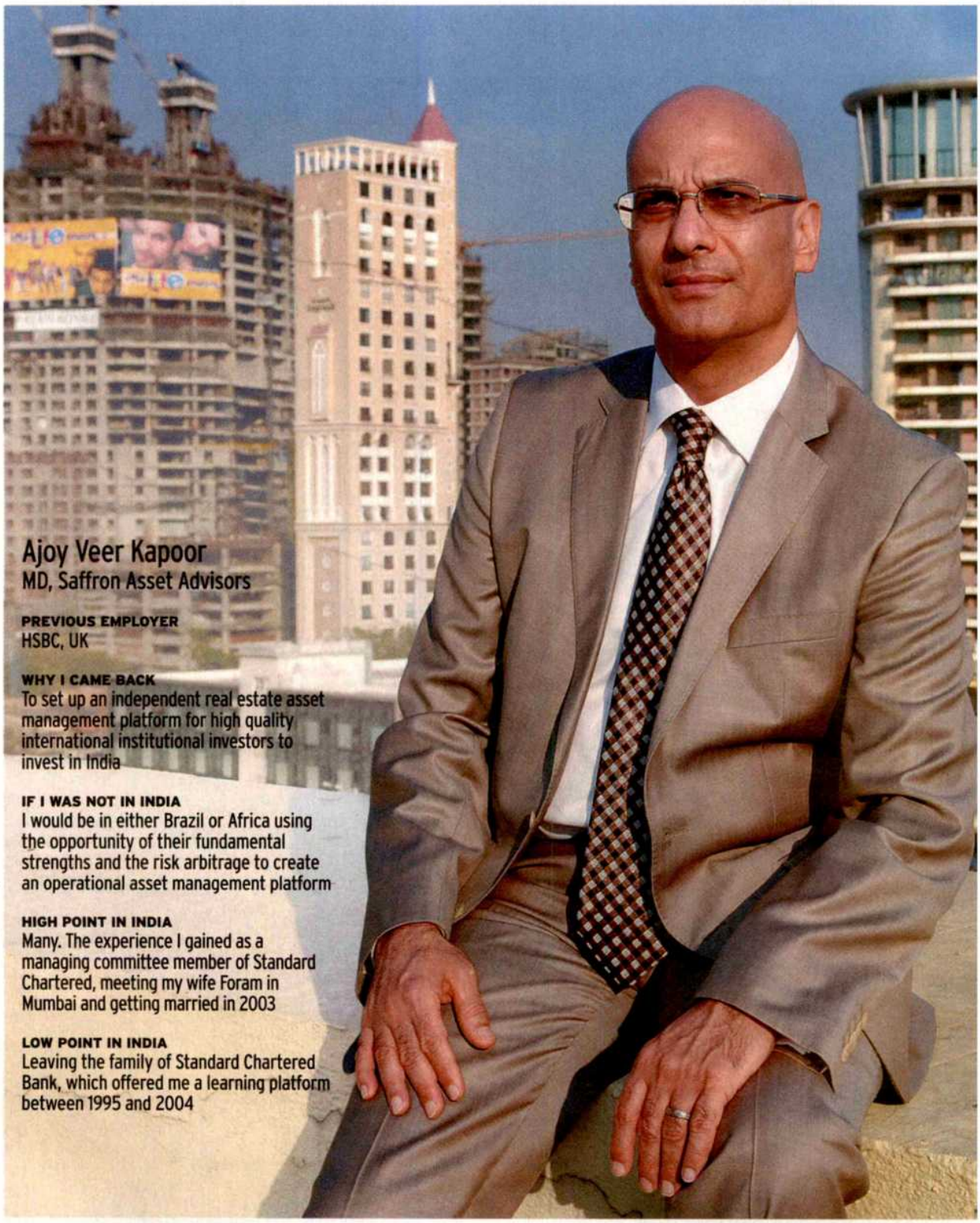
WHY I CAME BACK
India is too exciting a market to ignore.
And for the proximity to parents

IF I WAS NOT IN INDIA
I had planned to be only in India

HIGH POINT IN INDIA
Getting a large number of transactions
to the finishing line

LOW POINT IN INDIA
Dealing with infrastructure or perhaps
the way things get done in terms of
day-to-day life beyond work

UMESH GOSWAMI/WWW.INDIATODAYIMAGES.COM



Ajoy Veer Kapoor
MD, Saffron Asset Advisors

PREVIOUS EMPLOYER
HSBC, UK

WHY I CAME BACK
To set up an independent real estate asset management platform for high quality international institutional investors to invest in India

IF I WAS NOT IN INDIA
I would be in either Brazil or Africa using the opportunity of their fundamental strengths and the risk arbitrage to create an operational asset management platform

HIGH POINT IN INDIA
Many. The experience I gained as a managing committee member of Standard Chartered, meeting my wife Foram in Mumbai and getting married in 2003

LOW POINT IN INDIA
Leaving the family of Standard Chartered Bank, which offered me a learning platform between 1995 and 2004

UMESH GOSWAMI/www.indiatodayimages.com

In the Land of Plenty

From running a restaurant in London to managing a real estate fund in India, Ajoy Veer Kapoor has been on a roll.

BY RAJIV BHUVA

On April 20, 2005, three and a half hours after becoming a father, Ajoy Veer Kapoor took a flight to Rio de Janeiro in Brazil from London's Heathrow airport to make a presentation to the board of HSBC in the United Kingdom. Then Global Head of Strategy & Implementation (Real Estate), Kapoor found a pre-typed resignation letter with a handwritten note from his wife Foram. "It is time to go to India, follow your dream and create the business you always wanted to," the note read. After the presentation, Kapoor spoke with board members and tendered his resignation. "I told them that I wanted to create an India-focused real estate asset management platform," says Kapoor.

Leaving HSBC was a tough call for Kapoor, who had been told that if he had stayed back at HSBC, he had a CEO role coming his way at one of HSBC's Latin American operations. But Kapoor resisted that temptation because he could see a bigger one on the horizon. "India was the country to be in for the next 20-30 years."

Yet, Kapoor's decision also smacked of super timing. In March 2005, the Department of Industrial Policy & Promotion under the Ministry of Commerce & Industry brought out a press note, allowing up to 100 per cent foreign direct investment in townships, housing, built-up infrastructure and construction-development projects. In May 2006, Saffron Asset Advisors, an India-headquartered private equity fund management company, was born. Kapoor joined hands with Rohin Shah, a chartered surveyor and then Managing Director of Meghraj Properties Ltd. in London. Over the next two years, the company raised some $500 million. Its proposition: knowledge of the Indian real estate market coupled with world-class risk mitigation systems. "We created structures for investors to participate in a transparent manner," says Kapoor. The going in real estate is never smooth, but with investors like Standard Life, Aviva and HSBC on board, Kapoor had reason to be upbeat.

Recently, Saffron announced the completion of a merger of its Mauritian fund management company, Saffron Capital Securities, and its wholly-owned subsidiary, Saffron Capital Advisors, with a Mauritius-based wholly-owned subsidiary of IL&FS Investment Managers Ltd, or IIML, India. IIML is a part of the IL&FS Group, and the merger has helped it create the largest alternative fund management platform investing in India. Kapoor believes that the benefits of the merger are mutual as both Saffron and IIML bring to each other their respective strengths and differentiated investment and execution knowledge.

Kapoor's uniqueness is that he is not a typical banker/advisor. When he was just 19, Kapoor started a restaurant called Calamity Jane in Hampstead in London. It was the first restaurant in London to have a drinking licence up to 6 a.m. "The food was not very good," Kapoor confesses. But it was a hit for obvious reasons. The other business he started was a chain of convenience stores, which began with the buyout of a burnt-down supermarket. Kapoor was at his innovative best when he got approvals to build flats above the supermarket. Kapoor's strategy for scale was simple: buy properties in run-down areas of London and put up his stores there. Born in Karachi and raised across Kenya, the United States, Brazil, China and Saudi Arabia, before moving to Britain, Kapoor has certainly been there — and done what few would dare to. ◆

From the Grassroots

Inclusive growth is no hollow buzzword for Shah.

BY E. KUMAR SHARMA

Anand Shah
CEO, Piramal Foundation

PREVIOUS EMPLOYER
Match School, US

WHY I CAME BACK
India is a growing country and there are so many opportunities to contribute to its progress

IF I WAS NOT IN INDIA
I would likely be working on technology start-ups or innovative education systems in the US

HIGH POINT IN INDIA
Seeing extremely talented young Indians quit their jobs to contribute to their country because they believe they can do something

LOW POINT IN INDIA
Many, but I knew what I was coming to, and am lucky to have had such an interesting journey

SHAILESH RAVAL/www.indiatodayimages.com

January 2, 2000: After attending a wedding in Mumbai, Anand Shah is on an Air India flight back to Boston to finish his undergraduate degree at Harvard. Seated next to him is an elderly gentleman complaining how bad the situation is in India and why nothing can be done about it. The dialogue leaves an impression on Shah.

October 2, 2001: Shah is back in India a month after he sets up Indicorps, a US-based non-governmental organisation, or NGO. Indicorps is focused on promoting civic participation in India's development by engaging young Indians from around the world in grassroots development projects.

"I moved to India because it is a growing country with great needs from which emerge many opportunities to contribute to its progress. I want to be proud of everything India is and stands for, and am here to do my part in making that happen," says Shah, who is the founding CEO of Piramal Foundation and also CEO of Piramal Water, a rural water franchising model. As part of the Piramal Foundation, he was also involved in the setting up of the Grassroots Development Laboratory, an entity in Rajasthan where young people are encouraged to play a role in finding solutions to rural problems. He has also mentored Source for Change, an all-women rural business process outsourcing, or BPO, firm.

Shah, holder of a US passport, has been with the Piramals since 2006, but has also been involved with a number of other initiatives. For instance, he was part of the founding team of Teach For India, a movement of graduates and professionals who commit two years to teach full-time in under-resourced schools. Shah is also a co-founder of India Guide Publications, which publishes comprehensive tourist guides on lesser known places in India. There is more. He has been a co-founder of Persource, which creates applications for smartphones. And Shah has been part of the Aspen Institute's India Leadership Initiative. "What appealed to me was his passion to do his bit to make a difference in India and also get other youth involved in it," say Ajay Piramal, Chairman of Piramal Enterprises. "My journey in India started with encouraging Indians abroad to contribute to India's rise by giving their time where India needs it most — in the villages, towns, and slums where talent is least willing to go," explains Shah.

Shah is not alone. His wife Shilpa runs the Piramal Fellowship for Sustainable Business. Born and raised in the US, she is a graduate from Boston University and an MBA from the Indian School of Business, or ISB.

So what lies ahead? "I don't know where I will be five years from now but I would like to work on big challenges that will have a serious impact on inclusive and equitable growth in India," says Shah, who loves his game of tennis each day between 7 and 9 a.m. Advantage India. ◆

INDIA'S
PRESCRIPTION
FOR GOOD
HEALTH.
Bloomberg UTV and Kiran Mazumdar Shaw have come together to find a cure for India's healthcare problems. Join us as we meet those who can make a difference and take their suggestions to the Union Health Minister. So India can soon have an ideal healthcare system.
Starting 28th November,
every Sunday at 7:30 pm.
INDIA'S
HEALTHCARE
CHALLENGE
with
Kiran Mazumdar Shaw
HDFC Life
Crizal
an Essilor Lens
Bloomberg
UTV
BLUNT. AND SHARP.

The Face of FB India

Kirthiga Reddy was drawn to India from the US.

BY E. KUMAR SHARMA

How does Kirthiga Reddy stay in touch with her friends and family back in the United States? She, like millions others, relies on Facebook. Reddy, however, would know a thing or two more about the social networking website than most common folk. She is, after all, Director of Online Operations and Head of Office India at Facebook. "When I chose to move back to India in January 2008, I became an active user of Facebook to keep my husband — then still in the US (now back in India) — connected about things related with our two daughters. Also, having lived in the US for 14 years, Facebook allows me to connect with my friends there," says Reddy.

In July this year, Reddy became the first Facebook India employee. Her mandate: set up the office — in Hyderabad — and a team. Today, Facebook India is in a hiring mode but would not share its India headcount numbers. Its India outpost, apparently, has a vital role to play. "We are working with users, developers and advertisers — our three crucial constituents — on a global basis. We have to ensure the operations are safe and trusted for users; we have to foster an ecosystem for developers; and we have to help advertisers leverage the platform of Facebook to reach out and engage with users," says Reddy.

The years ahead promise to be exciting as Reddy attempts to build an organisation in India that is rooted in, what she says, "the global Facebook culture and values". Personally, it is going to be about "fostering the next generation of women leaders in India; driving children's causes like their safety and access to education; and making an impact at a national level". India is where she wants to be, and with so many goals, Reddy is going to be a very busy woman in the years ahead. You could keep track of her on Facebook. ◆

Kirthiga Reddy
Head of Office India, Facebook

PREVIOUS EMPLOYER
Phoenix Technologies, US

WHY I CAME BACK
After frequent work-related visits to India, one could clearly sense the change happening in India and how it was the place to be professionally and personally

IF I WAS NOT IN INDIA
Unlikely since India is where I want to be. If not then still be in a global leadership role in the US

HIGH POINT IN INDIA
Joining Facebook and having an opportunity to build Facebook India from the ground up

LOW POINT IN INDIA
Despite India being a happening place, there is still a great deal of room for improvement on issues like accountability and transparency

A. PRABHAKAR RAO/www.indiatodayimages.com

THE MAN WHO SURVIVED CORPORATE INDIA'S TOUGHEST.

hreyas Puranam Srinivas is no ordinary man. He has courageously faced the most intimidating lot of ndia's corporate world. With his astute business ense, he has impressed the likes of Kishore Biyani, Naina Lal Kidwai and Rahul Bajaj. Well done, Shreyas. And congratulations on winning The Pitch.

M3M™ & Bloomberg | UTV present

the Pitch

powered by hindustantimes

M3M™ Our Expertise. Your Joy.

Bloomberg | UTV BLUNT. AND SHARP.

In association with: SONY BRAVIA, Micromax mobile Nothing like Anything, DHL

Knowledge Partner: KPMG

Angel Investors: Mumbai Angels

Conceived by: Big FM

Mentor:

Supported by: NEN

Gaming Partner: zapak.com

Hospitality Partner: The Westin

Online Partner: msn

Retail Partner: croma

Multiplex Partner: PVR

Trade Partner: exchange4media.com

OOH Media Partner: OOH MEDIA

Prized Asset

He wants to seize the opportunities in financial services.

BY ANAND ADHIKARI

He started his career in India, moved on to the Asian stage, and returned to take on a challenging mandate at one of India's biggest conglomerates. The turning point in the almost two-decade-old career of Ajay Srinivasan came at the turn of the century when Prudential ICICI Asset Management, the mutual fund joint venture he was heading out of Mumbai since 1998, became the largest private sector asset manager in India.

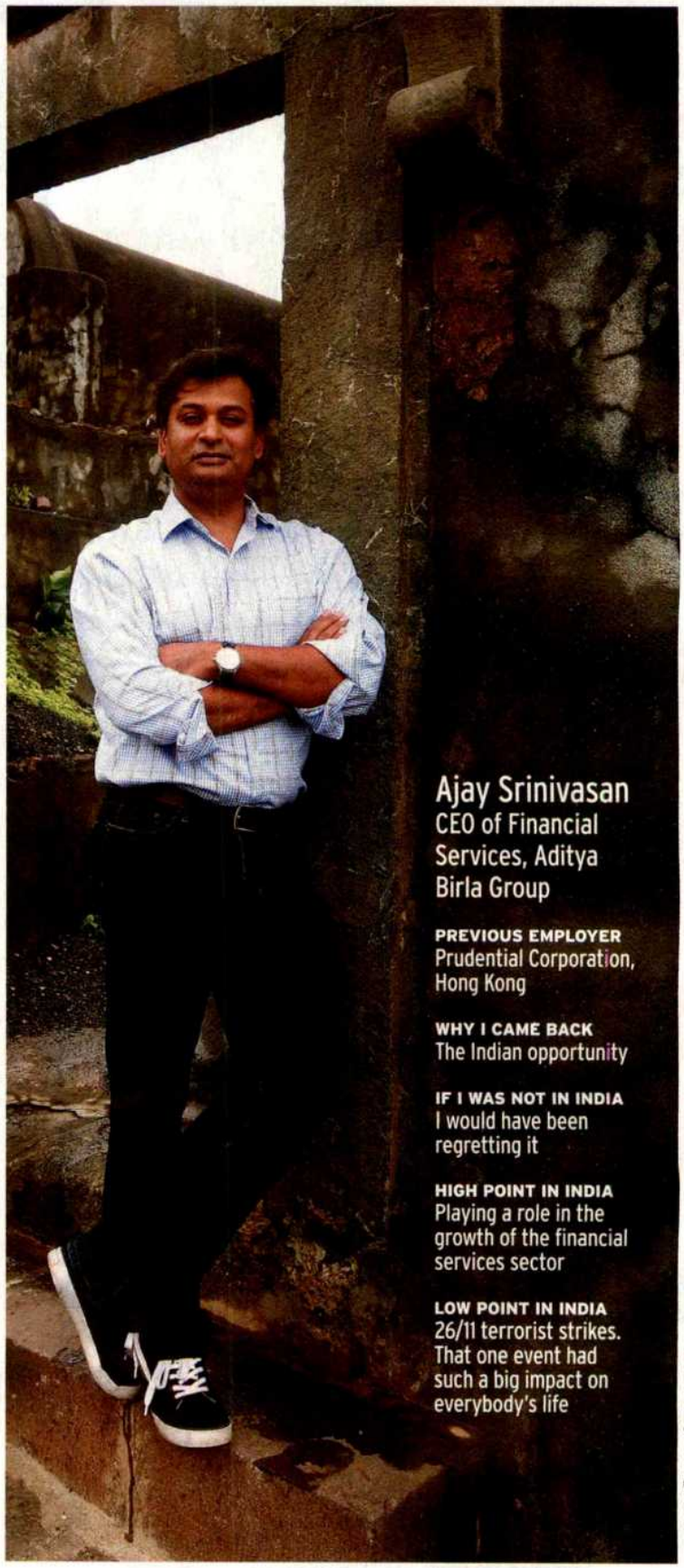
That was the cue for Prudential Corporation Asia to call Srinivasan to Hong Kong as Chief Executive for Fund Management. From Hong Kong, Srinivasan headed 10 markets, managing funds of some $70 billion.

In early 2007, six years after making the move to Hong Kong, Srinivasan began to ponder his next big challenge. He had a few ideas in his head, and was wondering whether India was the best place to execute them. "India had all the makings of a large financial services market," says Srinivasan.

A meeting with Kumar Mangalam Birla, Chairman of the $29-billion Aditya Birla Group, in early 2007 helped Srinivasan make up his mind. Birla liked what he heard. "There was a complete match in what his vision was and what I wanted to do," says Srinivasan, an MBA from IIM Ahmedabad who is a part of Birla's core leadership team.

Srinivasan's mandate was clear: build on the financial services base already created by adding new businesses. Over the years, Srinivasan has done exactly that by foraying into areas like retail broking and private equity. "We have a very good platform to build on and scale up," he says.

Srinivasan observes that a lot has changed since he left India in 2001. "A big change is also the confidence of Indians, right from business leaders to the youth." He could well be talking about himself. ◆



Ajay Srinivasan
CEO of Financial Services, Aditya Birla Group

PREVIOUS EMPLOYER
Prudential Corporation, Hong Kong

WHY I CAME BACK
The Indian opportunity

IF I WAS NOT IN INDIA
I would have been regretting it

HIGH POINT IN INDIA
Playing a role in the growth of the financial services sector

LOW POINT IN INDIA
26/11 terrorist strikes. That one event had such a big impact on everybody's life

NISHIKANT GAMRE/www.indiatodayimages.com

AMRAPALI GROUP
An ISO 9001:2000 Company
Developing India

MAIL TODAY
News for the new world

MAIL TODAY & AMRAPALI GROUP presents

Rahul & I

Asha Bhosle re-lives the magic of RD
Live in Delhi

21st January, 2011,
Sirifort Auditorium
ENTRY BY INVITATION ONLY.

FLY KINGFISHER
Travel Partner

दिल्ली आजतक HEADLINES TODAY
TV Partner

OYE! 104.8FM SABSE FILMI
Radio Partner

Graphisads
Outdoor Partner

oranjuice entertainment
Event managed by

DESTINATION INDIA

A number of Indian businesses — particularly New Age ones — have foreigners at the helm

Jet Set Go!

SpiceJet's new CEO Neil Mills knows a few things about running a low-cost airline with all its improbabilities

BY RAHUL SACHITANAND

Neil Mills might well be the freshest expat off the boat and he is showing it. Six weeks after arriving in Delhi, Mills is still living out of a suitcase, even as he waits for his wife and two young children to join him. The 39-year-old veteran of sorts in the airline business took up an offer in mid-October to become CEO of SpiceJet, the low-cost carrier now owned by the promoter of Sun TV, Kalanidhi Maran.

He arrived as a part of the change in ownership at the budget carrier and has spent the last few weeks getting used to doing business in India. Perhaps it is not that easy — Mills rescheduled his interview with this writer three times, the last time due to an unscheduled call from the civil aviation ministry.

When we finally meet, Mills is multi-tasking. He has made time for this interview, is eyeing messages on his handheld and keeping harried colleagues at the door — he does step out once to meet a senior manager. Mills speaks in short, staccato sentences, laced with humour. "Passengers are treated like self-loading freight," he says of the low-cost airline industry.

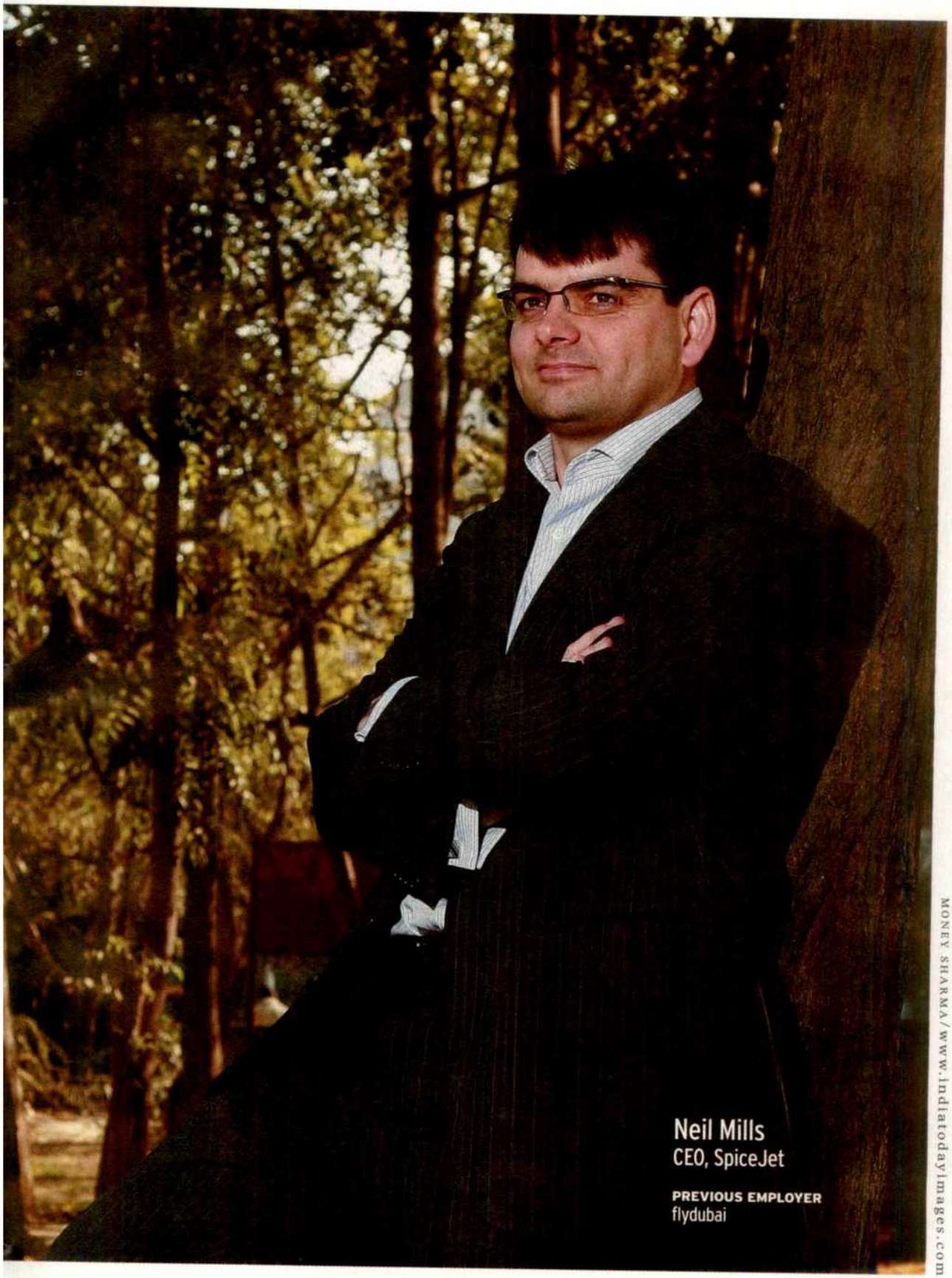
The cost accountant-turned-airline-executive is no newcomer to chaos. While he had worked with some manufacturing companies in South Africa, in 1997 Mills got an offer from British airline easyJet, then a fledgling low-cost outfit trying to juggle five routes with four planes and haemorrhaging money. "Financially, they were in a mess ... it was a disaster."

Mills had planned to stay with easyJet for six months, turn the airline around and move on to his next job, but ended up staying for a dozen years. He rotated through all the roles in the airline (barring sales and marketing) and learnt quickly on the job, growing to become easyJet's Director of Procurement when he left in 2007. By then easyJet, founded by Greek Cypriot serial entrepreneur Stelios Haji-Ioannou, had 174 planes and was doing well for itself. "Neil has the ability to be at the right place at the right time," says Richard Roth, CFO of Abu Dhabi-based luxury charter operator Royal Jet, who worked with Mills for 12 years at easyJet. "easyJet was a great ground for him to do the unexpected."

His next stop was another airline start-up, flydubai, this time as its finance chief. Mills was part of a four-member team mandated to get the low-cost airline, run by Emirates, off the ground. This time, his role was short-lived. "I wanted to be there for three to four years and become CEO, but I was approached by the previous shareholders of SpiceJet as a part of their sale process," he says.

Mills has begun work at SpiceJet just as the aviation industry in India is showing signs of reviving after two years of turmoil. Observers believe that Mills has many qualities required for the job. "Neil has a strong record of delivering good results and a keen strategic mind," says Catherine Lynn, Planning Director for easyJet. "With his skills and experience in (the) low-cost sector, Neil is a strong leadership asset for SpiceJet."

Mills has reconciled himself to the intrinsic burdens of the low-cost sector. Aviation fuel costs are high, construction of airports is behind schedule and taxes, he contends, are unfairly high. He is clear what needs to be done. "There has to be consistency in everything you do so that you can control costs," he says. "There should be no waste in the system."◆



Neil Mills
CEO, SpiceJet

PREVIOUS EMPLOYER
flydubai

MONEY SHARMA/www.indiatodayimages.com

Indian Hotels Exotica

Raymond Bickson was born in Hawaii, trained in Switzerland, and is now Ratan Tata's point man for the hospitality business **BY SUMAN LAYAK**

If you thought US President Barack Obama has a delightfully mixed lineage, consider what Raymond Bickson had to say about his own. "My mother is Hawaiian, Chinese, Filipino, Spanish and German. My father was a Russian Jew. I was raised a Catholic," Bickson wrote in an article in the *New York Times* in 2005.

Both Obama and Bickson come from Hawaii in the United States and met recently when the US President visited the Taj Mahal Palace hotel in Mumbai to commemorate the martyrs of the 26/11 terrorist strike.

India has been home for Bickson since 2003 when he joined Indian Hotels Company Ltd, or IHCL, as Executive Director & Chief Operating Officer of Taj Luxury Hotels. Seven months after joining, Bickson pipped long-time favourite Zubin Dubash to the post of managing director of IHCL when R.K. Krishna Kumar handed over the executive baton.

So what did Bickson offer to IHCL that none of the Indian managers could? International experience, surely. Bickson had worked all across the world — Shanghai, Melbourne, New York, and was trained in Switzerland. He was General Manager for The Mark in New York for almost 15 years before deciding to leave for India. This was the time when the Taj was looking to expand globally.

During a large part of his leadership of the Taj, Bickson has worked in the shadow of Krishna Kumar, who remains Vice Chairman of IHCL. That may be set to change. With three years to go for Krishna Kumar, the show would be more and more owned by Bickson from now on. Since Bickson arrived, IHCL has opened one hotel every six weeks. The years ahead could see him hastening the pace. ◆

Raymond Bickson
MD & CEO, Indian Hotels Co

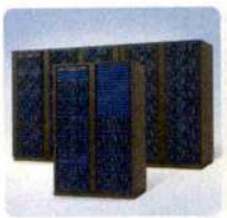
PREVIOUS EMPLOYER
The Mark, New York

VIVAN MEHRA/www.indiatodayimages.com

MONORAIL

ESCALATORS

ELEVATORS


DATA
STORAGE SYSTEMS

COMMERCIAL
AIR CONDITIONERS

THERMAL
POWER EQUIPMENT

TOMORROW TOGETHER

think of tomorrow before we think about innovating our products. Which is why our products are designed to create a better future for you. Be it our Data Storag stems, Escalators, Elevators, Super Critical Thermal Power Equipment, Commercial Air Conditioners or the futuristic Monorail. Hitachi is **Trusted** globally for it -friendly, advance and innovative Japanese Technology **since 1910** and in **India for more than 50 Years**. Hitachi means a better **Tomorrow**. Hitachi means buildin city of future, **Together** with you.

100th
ANNIVERSARY
rating 100 years of the Hitachi Group"
hi marks its 100th anniversary in 2010

www.hitachi.co.in/tomorrowtogether

HITACHI
Inspire the Nex

Thai Recipe

Mukesh Ambani is counting on Gwyn Sundhagul to succeed in the organised retailing of food and groceries

BY SUMAN LAYAK

Gwyn Sundhagul
CEO, Value Format, Reliance Retail

PREVIOUS EMPLOYER
Tesco Lotus, Thailand

Gwyn Sundhagul, 48, needed some persuasion to come and join Mukesh Ambani's Reliance Retail as head of its value format and wholesale businesses. He needed convincing that Reliance Retail was a bigger opportunity than Tesco in Thailand, where he worked. But once he agreed he came over with his own team of senior people. While some like former Reliance Retail CEO Raghu Pillai left after Sundhagul came on board with his own people, a few members of the Sundhagul team who came from Tesco, like Howard Bryant, also left a little later. All this happened within a year of Sundhagul taking up his job on December 15, 2009.

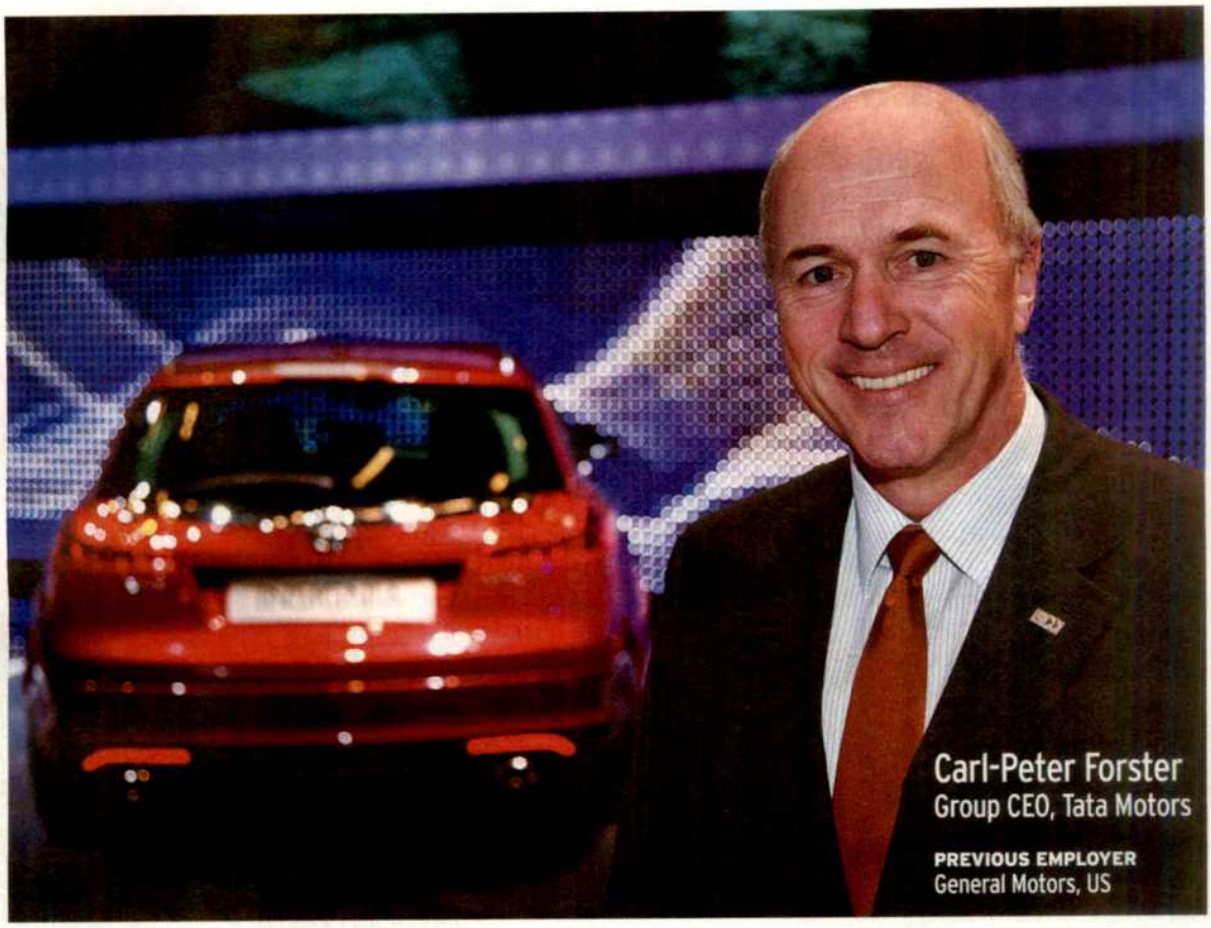
Reliance Retail is one of the last companies to look abroad for expertise in value retail. It, however, did have Mark Ashman, a Briton, heading Marks & Spencer Reliance India, a joint venture between the UK retailer and Reliance Retail. Ashman has now moved to K. Raheja Corp. Group's HyperCITY Retail (India) Ltd. At HyperCITY, Ashman replaced South African Andrew Levermore, who left for a stint with Woolworths in South Africa in 2008 and came back to join Bharti Retail earlier this year.

Expats heading organised retail operations in India are not hard to find. Aditya Birla Retail, for instance, has Russell Berman as CEO of the hypermarket segment. Berman brings in experience from McDonald's and Carrefour. Tata's retail firm Trent Ltd, which has a joint venture with Tesco of the UK for a chain of wholesale stores, had Scotsman Gordon Reid heading the hypermarket venture. Earlier this year, Reid was called to head Tesco in China.

Reliance Retail's Sundhagul had worked for Tesco Lotus in Thailand, and was a member of the board. Having started as a store manager for Barn Furniture Mart in the United States, Sundhagul, a Cornell graduate in Economics with certificates in investment banking and a Wharton school programme for senior executives under his belt, returned to Thailand in 1991.

In May this year, Sundhagul unveiled a five-year business plan for Reliance Retail. It focuses on tempered growth, which is a departure from the breakneck growth strategy with which Reliance Retail was launched. Also, the focus now is sharply on consumer satisfaction, which is reflected in a new slogan, "*Aapki khushi, hamaari khushi*," which translates into: Your happiness is our happiness.

The plan comprises a four-pronged strategy for focused and quality growth: strengthening multi-format retail channels; growth through the hypermarkets; leadership in fresh foods; and building world-class quality and infrastructure. The orginal architect of Reliance's retail strategy, Ambani's right-hand man Manoj Modi, has already stepped aside to let Sundhagul have a freer run. A sure sign that Sundhagul is on the right path .◆



Motoring On

Carl-Peter Forster is a global CEO at a Tata company that is well-positioned to be a global auto giant **BY SUMAN LAYAK**

Rarely does an employee describe the employer's actions as incomprehensible. Carl-Peter Forster, 56, did just that when his employer, the ailing General Motors, on November 3, 2009, announced that it would retain ownership of the Vauxhall and Opel divisions, turning back on a decision to sell them to German company Magna. Forster, then the head of GM Europe, was out of the company the next day — for calling a spade by its name. Two months later, Forster joined Tata Motors as its Group CEO. The move ended a period of leadership uncertainty at Tata Motors which, after the acquisition of British car brand Jaguar Land Rover or JLR, has roughly 62 per cent of its business coming from overseas.

Forster, son of a German diplomat, was brought up in London, Bonn and Athens, had worked in South Africa, Germany, and Switzerland and was on the global board of General Motors. In his first stint in Asia, Forster spends a lot of time travelling between London and Mumbai, where he is based.

His nomination to the top post at Tata Motors created a stir in the UK as this makes him the man who can decide the future of JLR. One of the first calls by Tata Motors under Forster was to reverse the decision to close one of the Jaguar plants in the UK.

Forster is part of an emerging trend in the Tata Group of creating global companies with the help of CEOs with global experience. For instance, Karl-Ulrich Kohler is the CEO of Tata Steel Europe, formerly Corus, which the Tatas acquired four years ago. Another high-profile CEO who lived and worked out of India was Darryl Green. A former Vodafone Japan CEO, Green left the Tatas three years ago for employment services major Manpower. But expect to see more expats coming into the Tata fold. There could be one at the very top too, what with Ratan Tata not ruling out the possibility of an expat succeeding him. ◆

Mass Appeal

If Max Hegerman is enjoying work in India, it might be because he takes an autorickshaw to work

BY ANUSHA SUBRAMANIAN

If you thought expats in India love being pampered with the good life, you should meet Max Hegerman. He has travelled in Mumbai's local trains, and takes an autorickshaw to work. He and his wife do not own a car, and have no plans to buy one. Just to spoil the spartan picture a bit, the Hegermans plan to get themselves a Harley-Davidson.

But you get the drift: The Hegermans, who live in a cosmopolitan neighbourhood in the western suburb of Bandra, are quite happy to mingle with the Mumbai masses. "We are not part of any expat club. We prefer to hang out with Indians rather than hang out with foreigners busy discussing how life is so difficult and bad here," says Hegerman, who joined as President, Tribal DDB India, the digital agency of Mudra Group in July 2009.

Born and brought up in Los Angeles, Hegerman worked for 18 years in advertising with various agencies and with marquee clients such as Nike, Pizza Hut, Volvo and Apple. Then, in 2008, he got an opportunity in China when TBWA/Media Arts Lab, a full-fledged advertising agency of TBWA Group, decided to set shop there to support (creatively and strategically) the global expansion of Apple.

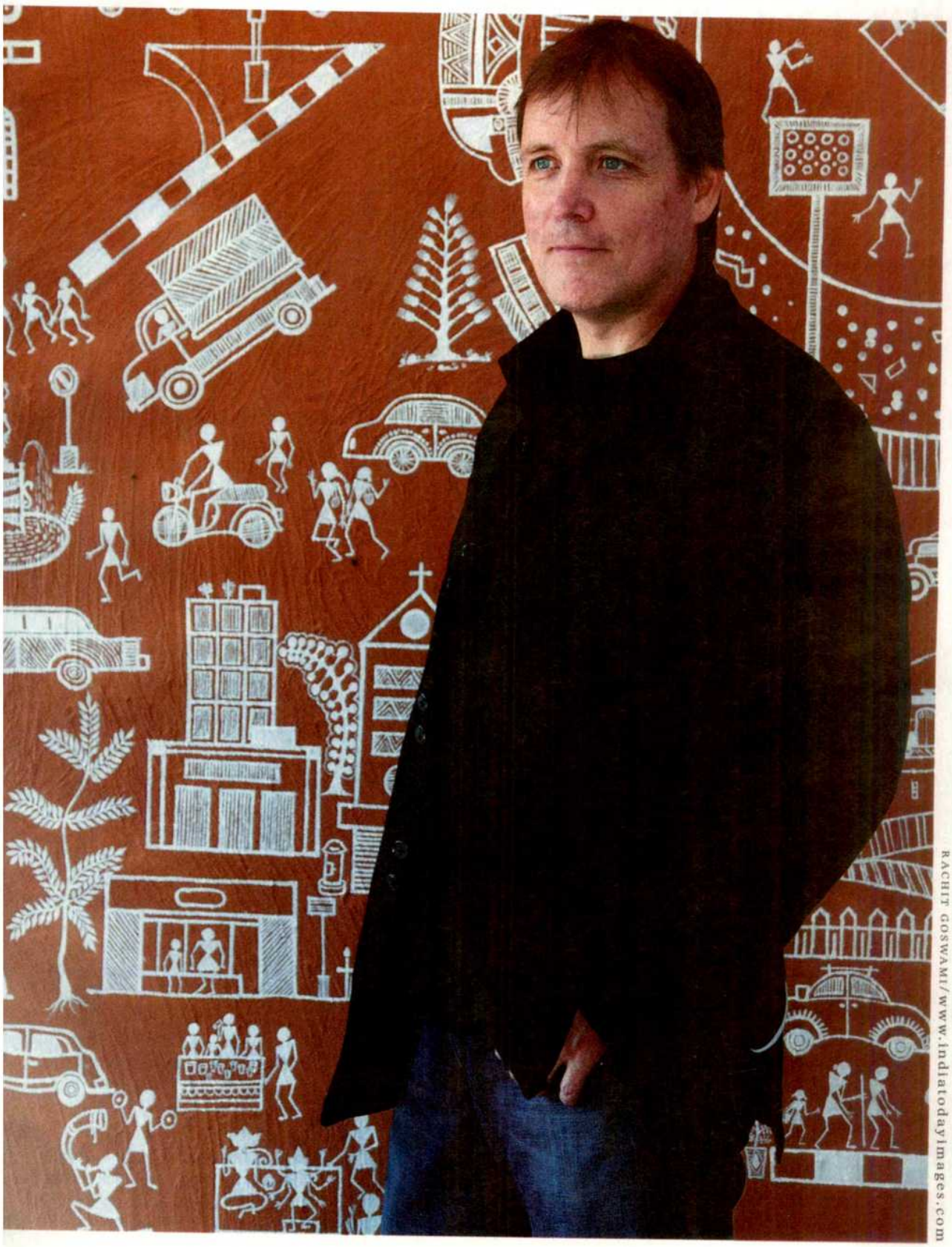
Hegerman's wife Roshni was born and raised in the US to Indian parents, and after their son Prem was born in China the Hegermans made a trip to Mumbai to meet Roshni's family. Hegerman got a chance to meet with Madhukar Kamath, CEO of Mudra Group, who was looking for someone with the ability to integrate digital with traditional media.

"That's exactly what I wanted to do. I wanted to do something here that would challenge my leadership skills," says Hegerman who did not think heading back to LA was much of an option. The first impression that he had of Mumbai after landing from China was that of controlled chaos. "When I first got here I went through a bit of a culture shock. The United States, China and India are different from each other. From a business standpoint the real difference between China and India is in the way you get feedback. Not much open discussion and communication happens in China. You have to consult people behind closed doors. In the US, too, it was different. People have their viewpoints but they are not as eager to share them," says Hegerman. In India, he adds, scarcely has he finished a presentation when people start offering their views and asking questions, "which is refreshing. This is very good, especially in digital advertising where there are not too many rules".

After spending a year in India, Hegerman has few complaints or regrets. "When we first came here we said: let's see if we can survive for a year; now we realise we are very happy here and I do not see us moving out for a long time to come," he says. He is trying to learn some Hindi, and blurts out a word or two whenever he gets a chance. His son Prem, however, is doing much better on that front — and even beats his mother when conversing in Hindi as well as Gujarati. Perhaps that is the only front on which the senior Hegerman has some catching up to do. So he has hired a Hindi tutor to learn the language. We can only say, *Shabash*.◆

Max Hegerman
President, Tribal DDB India

PREVIOUS EMPLOYER
TBWA/ Media Arts Lab



RACHIT GOSWAMI/www.indiatodayimages.com

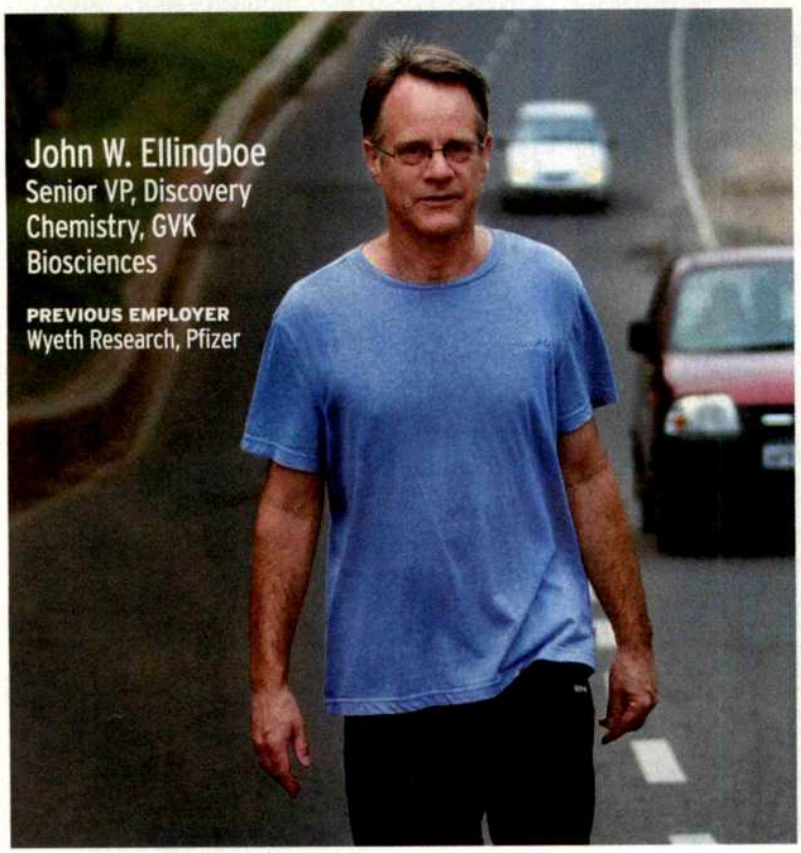
Fresh Shot in the Arm

John W. Ellingboe has moved from representing a client of GVK Biosciences to working with them **BY E.KUMAR SHARMA**

The switchover is striking. John W. Ellingboe, 55, moved from being a service seeker to being a service provider by joining the very company he had assigned work in his earlier avatar. In 2005, Ellingboe, then Vice President, Medicinal Chemistry at Wyeth in the United States, was asked by his company to look at potential partners for outsourcing. He looked at a number of companies outside the US and finally chose GVK Biosciences, which offered to set up a dedicated facility with 150 chemists working for Wyeth.

For the next four years, Ellingboe was in charge of managing the relationship between GVK and Wyeth. Then, in the first week of January this year, when he paid a visit to the GVK facilities in Hyderabad, something happened. Ellingboe was in India to introduce his new colleagues from Pfizer, which had completed the acquisition of Wyeth three months earlier in October 2009. "I came here to help with the transition and that is when I was offered a position in GVK," says Ellingboe.

The change was a big one, on multiple fronts — from a client to that of a provider; from a guest to an employee; and from New York to Hyderabad. But apparently none of this mattered to Ellingboe, who had joined Wyeth in 1985 just after completing his PhD in Organic Chemistry from MIT and stayed with the company for 25 years. He had started out by working in medicinal chemistry, primarily in the areas of diabetes and cardiovascular diseases.



A. PRABHAKAR RAO/www.indiatodayimages.com

Ellingboe was impressed with the energy levels at GVK, which, despite being a contract research organisation, was also keen to grow its business of drug discovery research. GVK's game plan is to help big pharma companies in their efforts to identify new drug candidates with an integrated process that involves chemistry and biology skills. "What has always impressed me about the GVK management is that once they make a decision to do something then they very quickly go with it. I like the speed with which they operate."

When Ellingboe made the shift to GVK in May this year, the timing could not have been better. For, as he says, "The drug majors in the US are downsizing and shifting significant work to Asia, with India and China getting a chunk of it." Would Ellingboe have considered moving to China? "I have been to China and India but I am more familiar with India," he says with a smile.

Ellingboe's goal other than growing the business is to develop the talent at GVK so that they can take over and do more of drug discovery research projects. At a personal level, he wishes to immerse himself more in the local culture. If you doubt that just hear him speak Hindi — he and his wife Page Hartwell have been learning the language for some time now. And do not be surprised when some day soon he turns out to be as proficient with the language as he is with chemistry. ◆

Vibrant Landscape

Setting up a Hollywood-style effects hot shop in India allows Charles Darby to focus on what he likes most and does best: create **BY ANUSHA SUBRAMANIAN**

There's opportunity at every corner in the Great India Bazaar. Charles Darby, among a select few globally who can create matte paintings in a digital format, will agree. A matte painting is a landscape that filmmakers use to replicate a real environment whose construction would not be feasible. Unsurprisingly, then, Darby has played key roles in visual extravaganzas like *Titanic*, *Crouching Tiger, Hidden Dragon* and *The Matrix*.

So, what does somebody who has worked on Hollywood blockbusters for 15 years do next? Darby, for one, thought it was time to turn entrepreneur and have his own set-up. And what better place than India, where talent is world-class and priced more competitively than in most developed economies.

In 2007, Darby moved from Los Angeles to Mumbai and set up Eyeqube Studios, in association with Eros International plc, which aims to become a "Hollywood-style" effects hot shop. Other than the availability of talent — Darby has a 200-strong team — there is another big advantage of moving to India. "Decision-making is quick, which allows me to focus on the job of creating things," he says. Eyeqube's first project was the film *Aladdin*, on which 180 employees worked. "Ninety-nine per cent of people in my company are Indian artists, but what is different is the culture we have created," explains Darby.

Darby, who likes his chicken tikkas and *dals* from Kolkata, does get put off by the traffic and pollution, but that is unlikely to upset his plans for Eyeqube. "I have a life in India and Europe that allows me an opportunity to work on both Western and Indian productions." Lights, camera....◆

Charles Darby
Creative Director,
Eyeqube Studios

PREVIOUS EMPLOYER
Has been on his own working in Hollywood as visual effects supervisor

RACHIT GOSWAMI/WWW.INDIATODAYIMAGES.COM

Quentin Staes-Polet
CEO and Co-founder, Kreeda Games

PREVIOUS EMPLOYER
IBM

UMESH GOSWAMI/www.indiatodayimages.com

Bustle in the Burbs

The only thing that Staes-Polet, who co-founded Kreeda in Mumbai, dreads is a trip downtown

BY ANUSHA SUBRAMANIAN

For five years, Quentin Staes-Polet, a Belgian who was the Asia-Pacific head for Media and Entertainment/Digital Media at IBM, made frequent business visits to India. Then one fine day four years ago, Staes-Polet, who was based in Changi Village in Singapore, decided that starting up in India was not such a bad idea after all. The 42-year-old technology geek founded Kreeda Games India, an online gaming venture, in Mumbai, along with two like-minded entrepreneurs, Robin Alter and Ramesh Anumukonda.

"Since 2005, I have been observing the fast-growing interactive entertainment industry in India and China. I could not identify any strong player in this field. I saw the potential of the Indian market and hence thought of setting up Kreeda, which would focus not just on the development of games but also on publishing, localisation and marketing of games," says Staes-Polet.

The venture funded itself for close to a year before SoftBank's Bodhi Investment and IDG Ventures India, venture capital firms that focus on online gaming, invested $2.5 million in it in 2007. That helped the company launch its first "massively multiplayer online game" danceMELA, which the company claims is India's first, and currently has some 100,000 registered users. By end-2008, Kreeda began outsourcing most of the development, preferring to focus on conceptualisation even as it went on to design online marketing campaigns and 'advergames'.

The Belgian is clearly at home in Mumbai. "I am very comfortable here, more than anywhere else," he says. "I started my career in Hong Kong when its economy was taking off and stayed there for eight years. But I made only three friends. Today, in Mumbai and across India, I have more friends — Indian ones — than I ever had before."

Like many expat entrepreneurs, Staes-Polet loves to take the less-travelled path — whether it is on his thumping Enfield or hitching a ride on Mumbai's ubiquitous autorickshaws. In his words, he has become a thorough "Mumbaiwala". He prefers moving around in the suburbs, where he stays and works, and avoids travelling downtown. "It is like a lunar expedition," he says with a shrug. On the cards: A biking trip to Goa, where Staes-Polet and his Malayali girlfriend of eight years have bought a house, although he does point out that "riding in Mumbai itself is a great adventure", with his tongue firmly in his cheek.

Escapades apart, Staes-Polet loves the simple life when he is not working on complex multiplayer games. Being at home, cooking for friends (who are Indians as well as Belgians in India), listening to music and doing some gardening are great stress busters. There is scarcely any sign of anxiety on the Belgian's face, who points out that "you don't feel lost here even if you are by yourself... So rest assured I am not going anywhere from here". Or perhaps only as far as his thumper takes him. ◆

Thriving in Organised Chaos

This former Microsoft researcher will soon use mobile phones to generate blue collar employment

BY RAHUL SACHITANAND

Sean Blagsvedt walks into his office barefoot, dressed in a baggy sweatshirt and khaki shorts that reach his knees. He has been unwell and apologises for being late before dropping into a chair and putting his feet up on another.

Blagsvedt, 34, has little time to rest. His three-year-old start-up babajob.com, which provides job listings for millions of blue-collar workers, is growing fast, recently crossing the 100,000 job-seeker mark. What's more, the portal, founded and run from Rhenius Street, a leafy road in Bangalore's central business district, is looking beyond the Internet to mobile phones and possibly at an offline presence too.

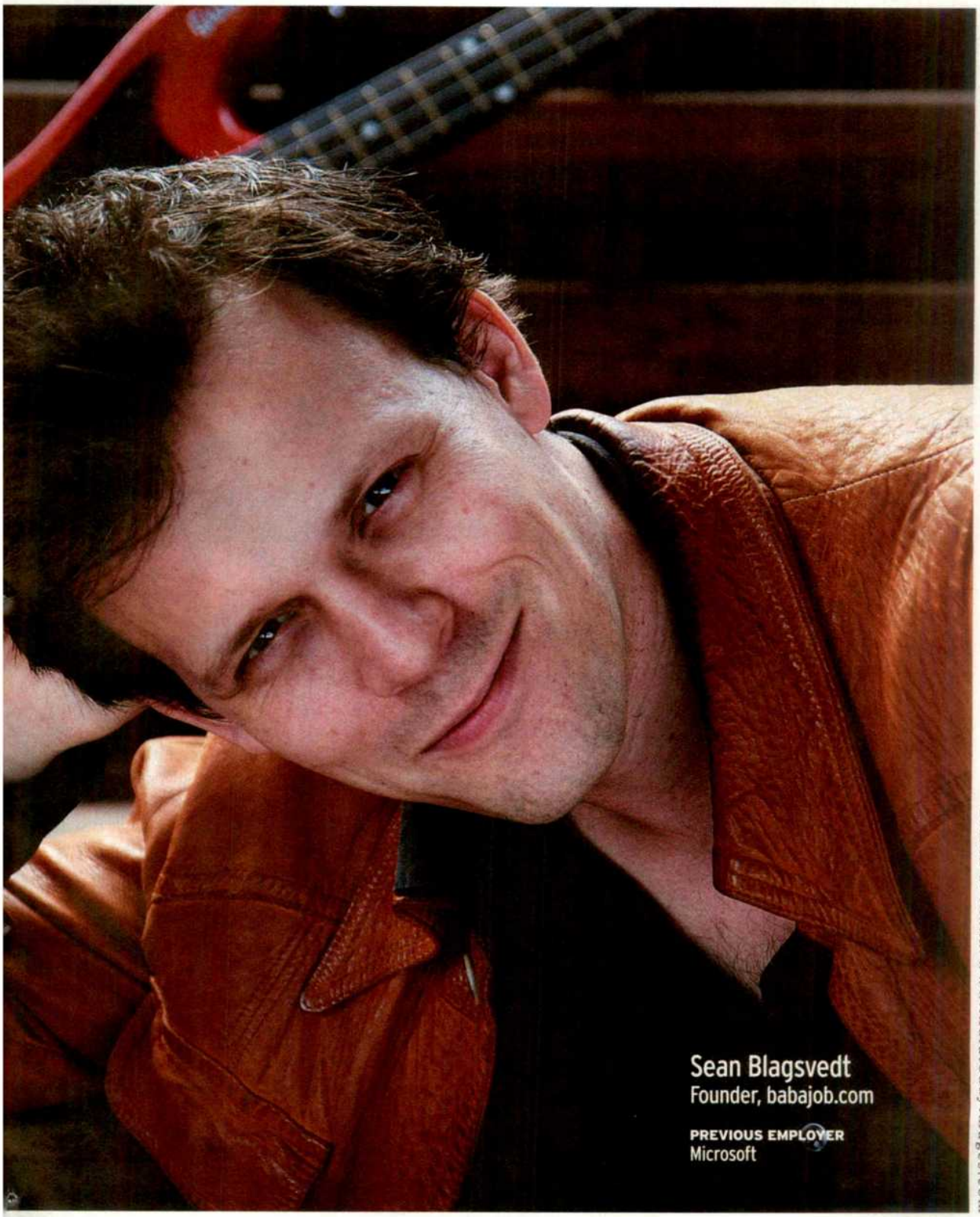
This is not Blagsvedt's first tryst with the bottom half of the pyramid. At the Microsoft Research labs, he ran the Advanced Development and Prototyping Team that worked closely with the software giant's Technology for Emerging Markets group to find new ways to use technology to help the world's poorest four billion people.

Fifteen years after he began working with Microsoft in the US, he came to India in 2005 and worked at the company's research unit in Bangalore. This former White House employee and graduate in computer science and public policy from Brown University, worked on finding ways to bridge the digital divide. He teamed up with his stepfather-in-law, drained his life savings and started babajob.com three years ago. What began as a two-person company has evolved into a 20-person unit and is growing fast. The company has expanded across India and through a partner entered Indonesia which, after India and China, is the third-fastest growing Internet market globally.

He might be hard at it, but it's not exactly all work and no play for Blagsvedt. His office in downtown Bangalore has a carrom board on one side, a guitar in its case on the other and his other instruments somewhere close — Blagsvedt plays the bass guitar, drums and the saxophone.

Blagsvedt is unlike many expat businessmen in India. He makes frequent trips to local markets in Bangalore and eats dinner with his in-laws twice a week too. His office is not air-conditioned and he relies on Bangalore's weather and large windows to stay cool. He drives his own car, a Maruti Suzuki Swift, walks to work often and has married Archana Prasad, an Indian colleague at Microsoft. The Blagsvedts are neighbours at work — Sean's office is right next to Jaaga, a free space for innovation co-founded by his wife.

Despite his comfortable existence, Blagsvedt is acutely aware of the sharp income divide in India — and is reminded of it every time he walks to work (home is just a kilometre away). Growing up in California, he led a sheltered life, playing soccer and graduating from a top college. Now, that he's found his calling, Blagsvedt wants to make it count, and hopes to stay put in India for the next five to seven years before he heads back to the States. ◆



Sean Blagsvedt
Founder, babajob.com

PREVIOUS EMPLOYER
Microsoft

DEEPAK G. PAWAR/www.indiatodayimages.com

DEEPAK G. PAWAR/www.indiatodayimages.com

Airport Authority

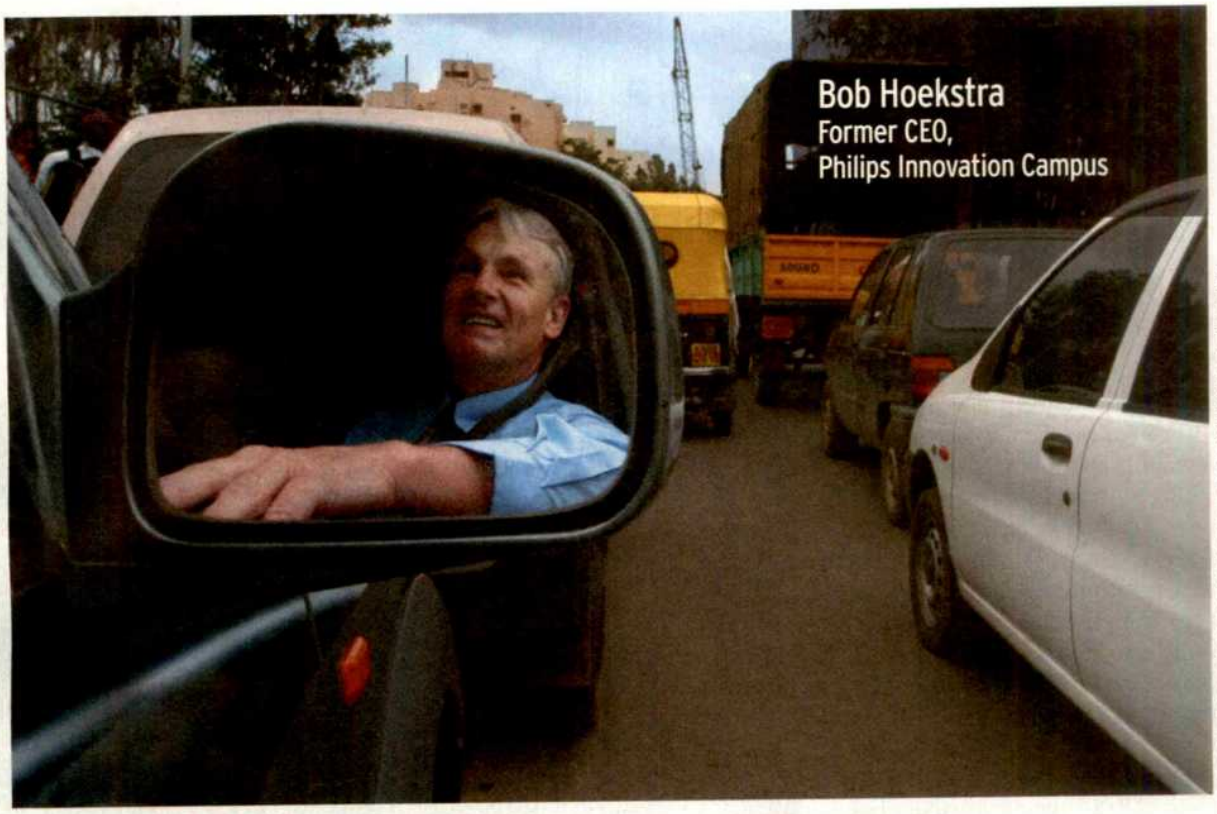
Marcel Hungerbuehler led the team that built up operations at the Bangalore International Airport against several odds. **BY K.R. BALASUBRAMANYAM**

On September 4, 2008 a private aircraft carrying Congress President Sonia Gandhi made an emergency landing at the Bangalore airport. Gandhi got down from the plane and, to everyone's surprise, boarded the small airside car and sat in the front seat. At the wheel was Marcel Hungerbuehler, President of Bangalore International Airport Ltd (BIAL). He drove her to the VIP lounge and, in the next 15 minutes, briefed her about the modern airport. Two weeks later, on another trip via Bangalore, Gandhi remembered to greet him. "She is very down to earth, very simple," says Hungerbuehler.

The Swiss national loses no opportunity to sing paeans of his baby, either — the Bangalore airport, born after severe pain. When he was BIAL's chief operating officer overseeing the airport operations set up in 2007, many of Bangalore's IT services chieftains had attacked the project objecting to its location (40 km away from the city centre). Acrimony notwithstanding, the airport took shape in 33 months and opened to traffic in May 2008. His team is now pencilling plans to develop an airport city and a special economic zone.

A marathon runner, Hungerbuehler barely looks 60. A veteran of 42 years in the airports sector, Hungerbuehler's association with the industry began in 1968 as an apprentice with Swissair. Aviation was in a growth phase in Europe then — not much unlike the current period in India. By the time he was 20, Hungerbuehler was working in Swissair's office at JFK Airport in New York. He later served the group in senior positions in Singapore, London and West Asia. Before joining BIAL in January 2007, Hungerbuehler was in charge of Swissport Zurich, the largest ground handling organisation at Zurich Airport. He jumped at the Bangalore airport offer because, he says, "Building a greenfield airport, planning everything from scratch, was exciting. Not a moment have I regretted coming here."

The CEO who got Hungerbuehler to BIAL — Albert Brunner — was his schoolmate in Switzerland though the two had not met after leaving the school. Hungerbuehler seems to have long forgotten the airport's birth pangs. "You can make the best out of any place with your attitude," he says. ◆



DEEPAK G. PAWAR/www.indiatodayimages.com

Bob the Builder

A retired Philips head honcho has some exciting reasons to keep coming back

BY RAHUL SACHITANAND

Villagers living around Bangalore's northern periphery had got used to the sight of a white-haired foreigner cycling by on the rutted roads. Smiling and pausing to take in the view, Bob Hoekstra, then Chief Executive of Philips Innovation Campus in Bangalore, was known for pedalling off on random jaunts to get a feel of the country he first visited in 1999.

Hoekstra was a Philips lifer, joining the company as part of his doctoral programme in the 1960s and staying with them until he retired five years ago. In that period, he went from working on his PhD at Delft University in the Netherlands to being vice president of the colour TV business, then chief technology officer of the computer monitor business, before landing in India in 1999 to lead the innovation unit.

For someone who had worked mainly in the developed world (the Netherlands, the US and Taiwan), moving to India was a culture shock. "I was scared and curious," the 65-year-old says. "I was absolutely shocked by the chaos, the noise, the smells, and the colours. But, curious enough to relocate." Hoekstra was alternately horrified by Bangalore's shambolic infrastructure and thrilled by the talented engineers at Philips. "I was shocked by the contrast," he says. "In the office I experienced a modern world, outside the office a developing country."

This didn't deter Philips and Hoekstra from expanding in the city. The innovation unit grew from 650 people initially to 1,400 when Hoekstra decided to retire and head back to the Netherlands in 2005.

But respite from the hubbub of India was short-lived. Though he's no longer based here, Hoekstra visits every alternate month to keep his new business interests going. His ventures post-retirement are focused on small businesses. As the market slows in Europe for small and medium enterprises, such companies are looking closely at the Indian market. Hoekstra's new unit, Palindrome Technology, wants to help these firms navigate the Indian market.

His second bet for India is on renewable energy. Hoekstra has been a long-time advocate of clean energy, even driving a electric-powered Reva around Bangalore. He has started a company called Enthrift to provide energy consultancy to start-ups.

Hoekstra admits getting business in India is difficult. But despite hiccups, Hoekstra's enthusiasm for India has not dimmed. "I have always felt at home from the beginning," he says. ◆

Hire Local, Act Global

A clutch of multinational corporations has replaced expat CEOs with Indians

BY K.R. BALASUBRAMANYAM

When 3M, the American multinational famous for its relentless innovation, landed in India in 1988 to launch its subsidiary, it brought along its own man — Will Scrivens — to head the operations. In the next two decades, five more executives from the global conglomerate came in to head the Indian business. But in October 2008, 3M opted for an Indian, Ajay Nanavati, who had been with the company, both in India and abroad, since 1988. For 3M, which markets 5,000 products in India, has a modern R&D centre in Bangalore and earned Rs 1,087 crore in revenues in last fiscal, India is a long-term play.

Cut to global auto major Volvo, which, four years after entering India in 1997, brought in Swede Ulf Nordqvist to head operations. As it began to make headway in the domestic market, the company split into separate legal entities, all three of which are now headed by Indians — Akash Passey (Volvo Buses), Siddharth Lal (Volvo Eicher Commercial Vehicles), and A.M. Muralidharan (Volvo India Pvt Ltd).

Volvo and 3M are just two of a host of multinational corporations that are opting to have local managers at the helm of their Indian operations (see *Indians at the Helm*). It was not always this way, and one explanation could be that India traditionally has been better known for its technical skills than its managerial talent.

But much water has flowed down the Ganga since the days when bringing in a manager from the head office was par for the course. Today, Indian subsidiaries and affiliates are contrib-

UMESH GOSWAMI/www.indiatodayimages.com

XTRAPOWER EASY FUEL.
Get smart. Gift fuel.

- A smart card-based fuel gifting solution for corporates fom IndianOil
- Accepted at over 6,000 select IndianOil outlets across India
- Option to recharge for any amount

IndianOil | XTRAPOWER EASY FUEL

For further details call our dedicated toll-free helpline
1800-425-5599 or visit www.iocxtrapower.com

DRAFTFCB + ULKA 012573

uting more to their parents' top and bottom lines, as growth picks up pace in emerging economies even as stagnation rules in the developed world.

Consider the banks. Standard Chartered India's contribution to the British bank's overall profits is the highest at a little over 20 per cent. For HSBC, India is the seventh-largest contributor to group profits and the third-largest in the Asia-Pacific region after Hong Kong and China. Small wonder then that Naina Lal Kidwai, Country Head, HSBC India, was inducted into the bank's Asia-Pacific board in August this year. Kidwai succeeded Niall S.K. Booker, as country head in May 2006. "An Indian's level of comfort is higher than that of an expat," says Kidwai. Foreigners — along with their families — have to adjust to cultures, languages and deal with issues like children's education.

But it is not as if Indians get the top job at MNCs just because they are more at home in the local milieu. In fact, it helps when the Indians have led businesses in other markets before heading domestic operations. Consider, for instance, Sanjay M. Correa, a veteran of 28 years with General Electric. In February 2010, Correa was named successor to Guillermo Wille, Managing Director

DEEPAK G. PAWAR

of GE India Technology Centre. Correa is the first person of Indian origin to lead the Centre. But before coming here, he had held many leadership positions across GE Global Research and GE Technology Infrastructure. "Indian-born and educated professionals have had multinational and cross-functional assignments to an increasing extent over the last couple of decades. These experiences along with their familiarity with the culture have made them a natural choice for leadership roles. I see that trend continuing," says Correa.

Back home, meantime, managerial talent is burgeoning — and this talent is young and keen to prove itself. The situation in the developed world is the reverse. "The population in countries such as Germany, Japan and Europe is ageing, and if organisations have to continue to grow rapidly, they will need to create a pipeline of talent in countries like India," says Vasanthi Srinivasan, Associate Professor, Organisational Behaviour and HR Management, at Indian Institute of Management, Bangalore.

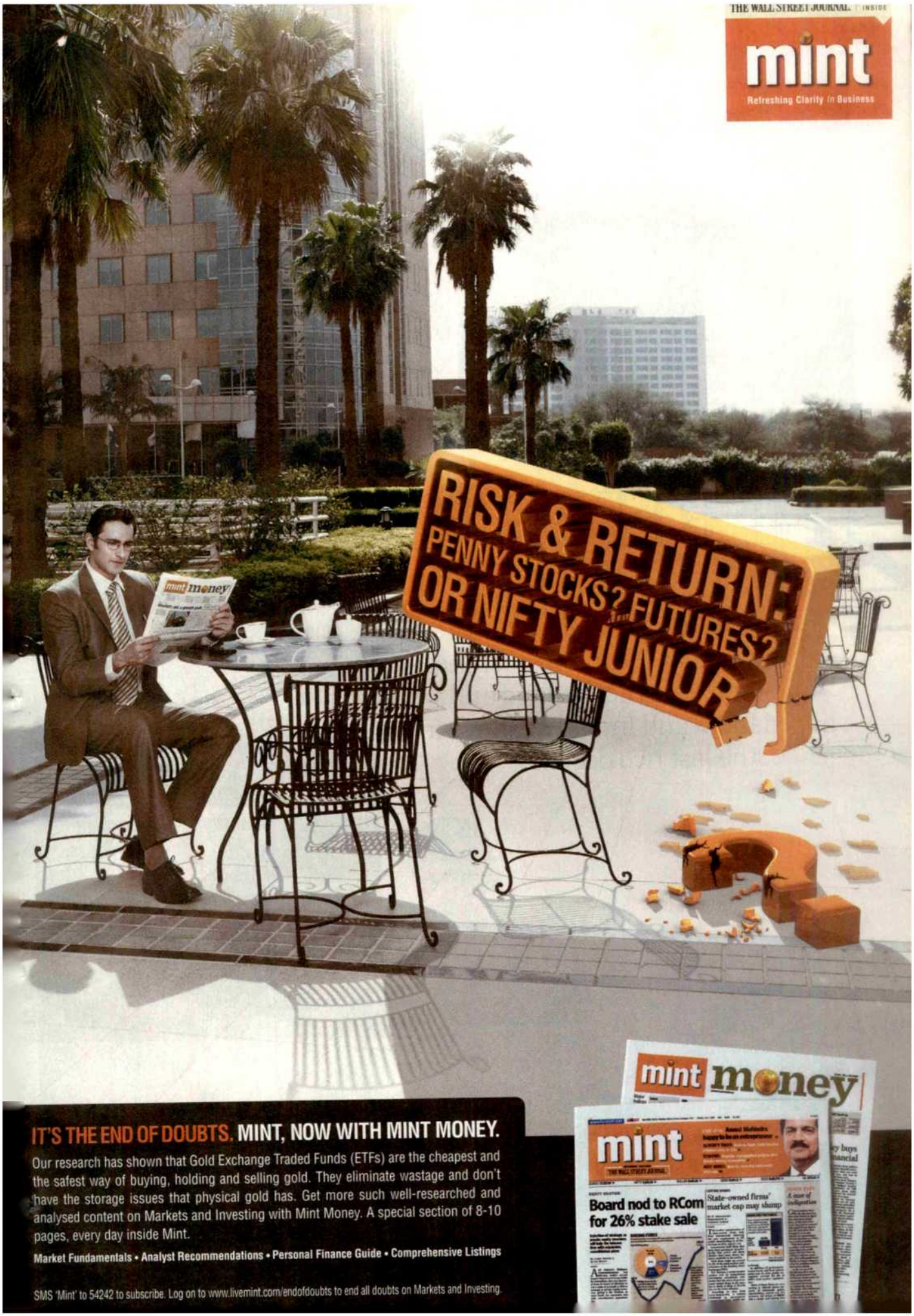
A number of multinationals seem to be undecided about what works better — an Indian CEO or an expat. Perhaps such changes are driven by circumstances and strategies prevailing at a certain time. Consider Hindustan Unilever Ltd, or HUL, an MNC that has been in India for so long (since 1888) that many consider it more Indian than Anglo-Dutch like its parent. At end-2005, after decades of having Indians at the top, it brought in a Unilever lifer, Doug Baillie, as CEO. But it did not take long for HUL to revert to an Indian CEO when in early 2008 Nitin Paranjpe took over the reins.

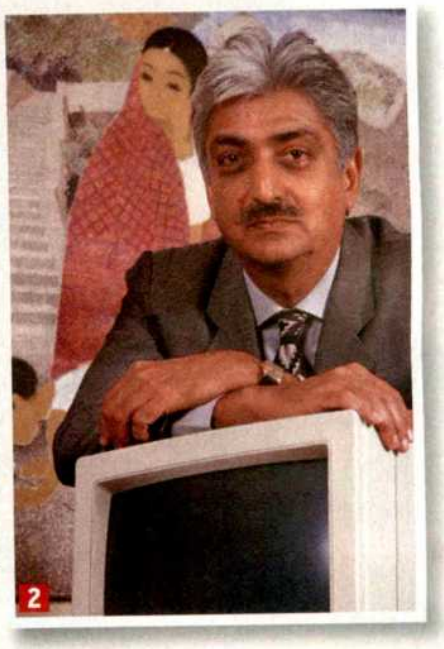
Similarly, at Citi India Mark Robinson, a New Zealander who was heading Citigroup's Russian operations, replaced Sanjay Nayar as South Asia CEO. This happened a couple of months after Lehman Brothers went bankrupt and sent Wall Street into a tizzy. But earlier this year Citi fell back on an Indian CEO when investment banking head Pramit Jhaveri replaced Robinson.

Clearly, an Indian at the helm makes constancy and continuity less of a challenge. And as Indian affiliates start becoming more vital for multinationals, the country has to respond by ensuring it has enough homegrown managerial talent to help MNCs make India a key hub of their global operations. ◆

Indians at the Helm

MNC	FOREIGN HEAD BEFORE	INDIAN HEAD CURRENTLY
BoA Merrill Lynch	Kevan Watts	Kaku Nakhate
3M India	Will Scrivens	Ajay Nanavati
Robert Bosch	Friedhelm Pickhard	Vijay Ratnaparkhe
GE Healthcare Tech	Allen Berard	Munesh Makhija
GE India Tech Centre	Jean Heuschen	Sanjay M. Correa
Intel	Frank Jones	Praveen Vishakantaiah
ING Vysya Bank	Vaughn Richtor	Shailendra Bhandari
ING Life Insurance	Frank Koster	Kshitij Jain
Avon	Sebastian Bako	Hemant Singh
Continental Automotive Components	Markus Distelhoff	Claude d'Gama Rose


THE WALL STREET JOURNAL. | INSIDE
mint
Refreshing Clarity in Business
RISK & RETURN:
PENNY STOCKS? FUTURES?
OR NIFTY JUNIOR
mint money
IT'S THE END OF DOUBTS. MINT, NOW WITH MINT MONEY.
Our research has shown that Gold Exchange Traded Funds (ETFs) are the cheapest and the safest way of buying, holding and selling gold. They eliminate wastage and don't have the storage issues that physical gold has. Get more such well-researched and analysed content on Markets and Investing with Mint Money. A special section of 8-10 pages, every day inside Mint.
Market Fundamentals • Analyst Recommendations • Personal Finance Guide • Comprehensive Listings
SMS 'Mint' to 54242 to subscribe. Log on to www.livemint.com/endofdoubts to end all doubts on Markets and Investing.
mint money
mint
Board nod to RCom for 26% stake sale
State-owned firms' market cap may slump

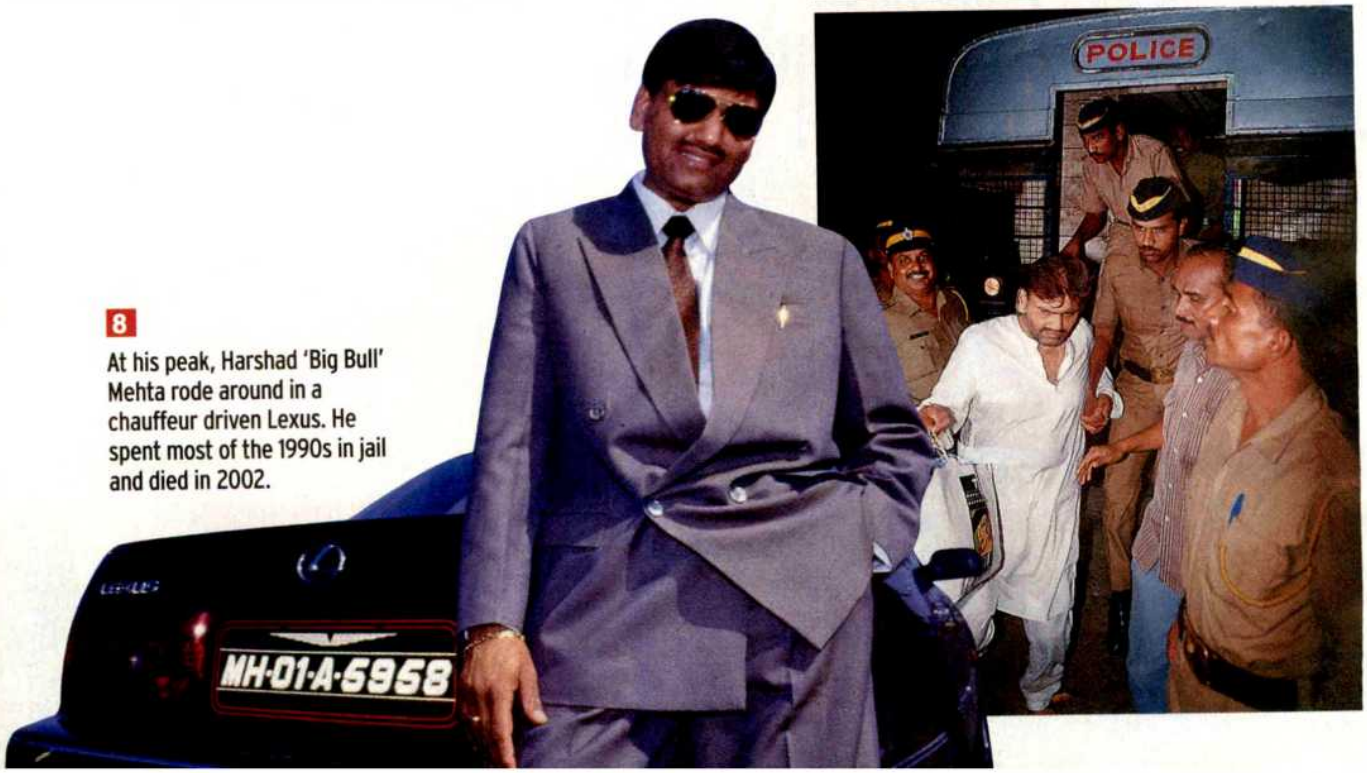


1991–1995

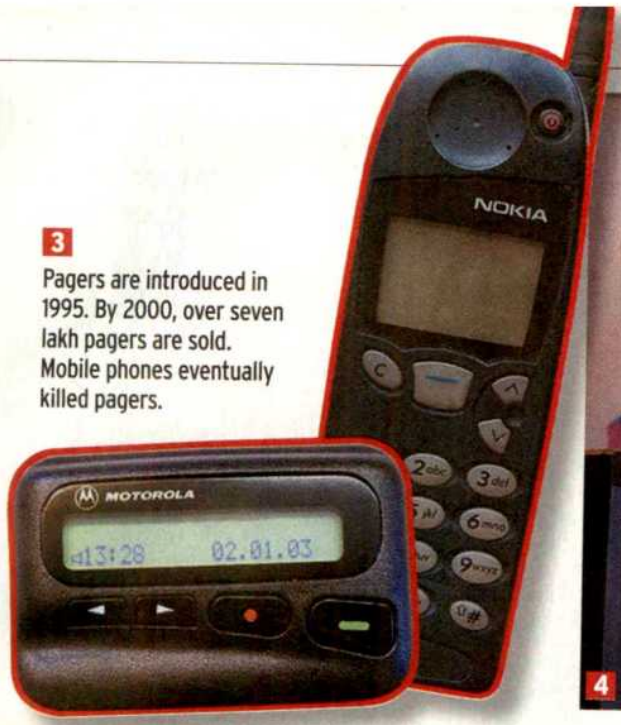
THE REFORMS ALBUM

A quick look at the men, machines and moments that defined and shaped India and Indian business in the last two decades.

1. Scooters rule Indian roads accounting for nearly half of all two-wheeler sales in 1991. Today, that's under 15%.



8 At his peak, Harshad 'Big Bull' Mehta rode around in a chauffeur driven Lexus. He spent most of the 1990s in jail and died in 2002.



3

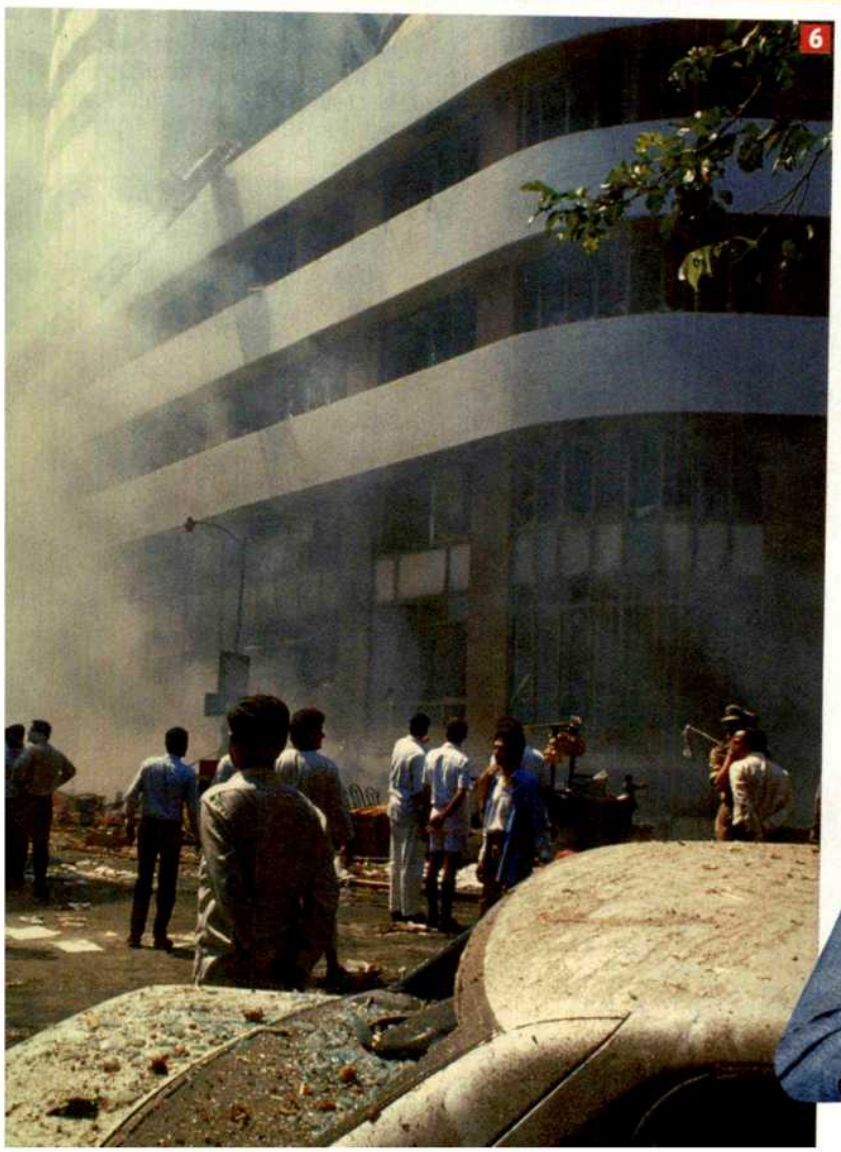
Pagers are introduced in 1995. By 2000, over seven lakh pagers are sold. Mobile phones eventually killed pagers.

2. Azim Premji's Wipro goes global by setting up its US headquarters in California in 1992.

4. Rice exporter Subhash Chandra launches Zee TV in October 1992, as India's first Hindi satellite channel.

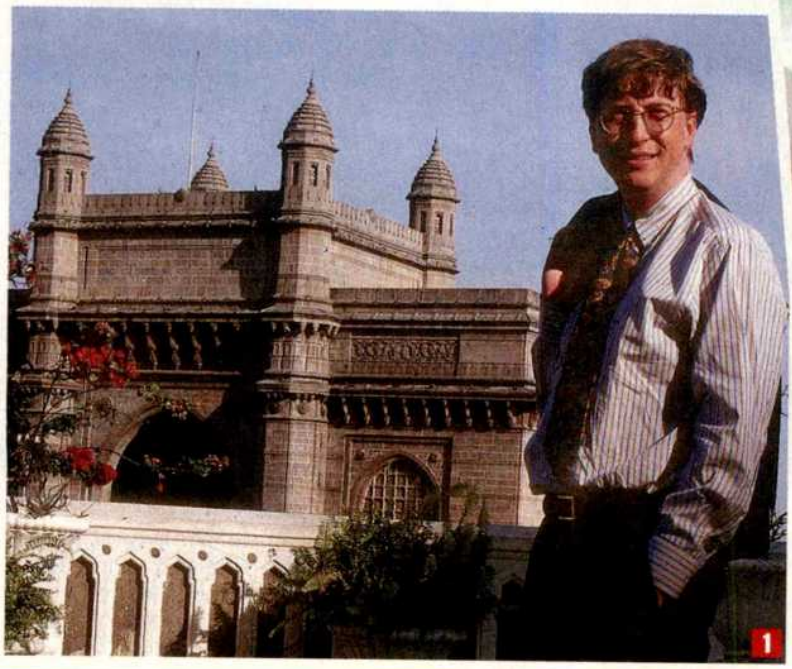
6. Thirteen bombs explode in multiple locations in Mumbai in 1993. One went off at the Bombay Stock Exchange building.

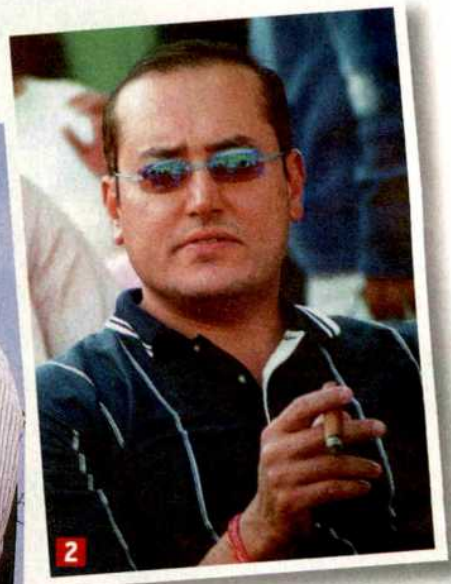
7. NSE replaces the outcry system with automated trading in 1994. BSE follows in 1995.



5

Aviator, philanthropist and industrialist J.R.D Tata passes away in 1993. Two years before his death, in March 1991, Ratan Tata is appointed Chairman of the Tata Group.



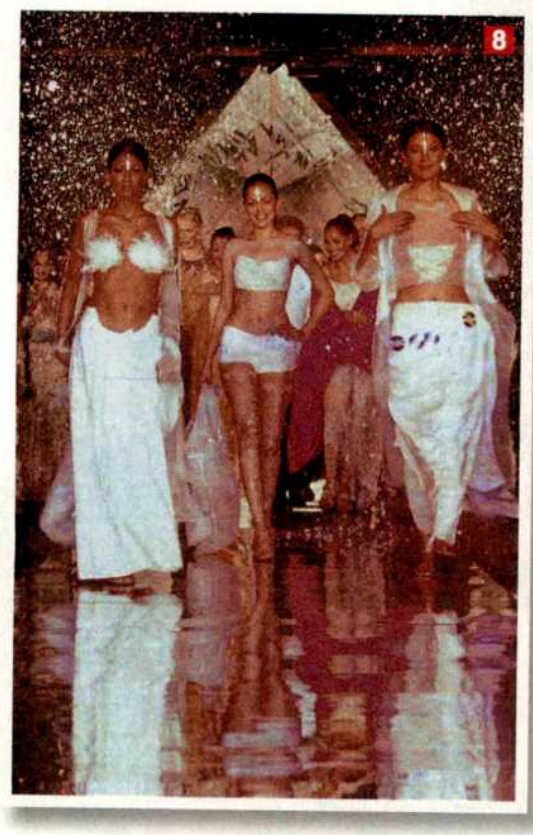


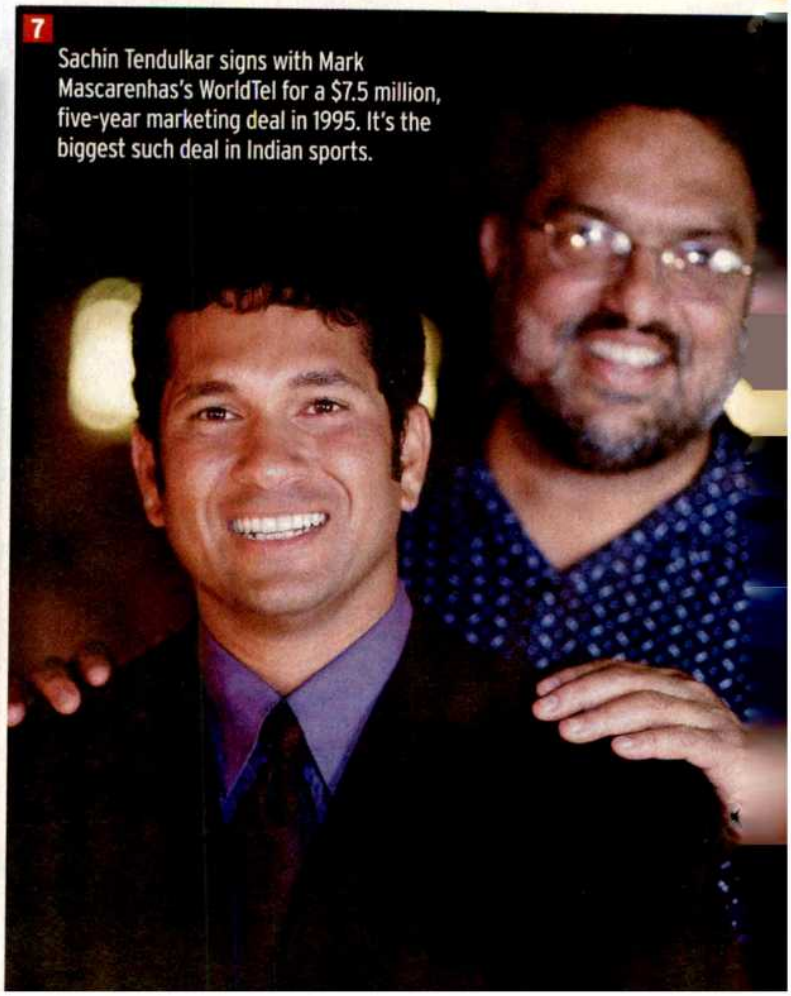
Sabeer Bhatia sells Hotmail to Microsoft for $400 million in December 1996, becomes the poster boy of Indian entrepreneurship in the US.

1996–2000

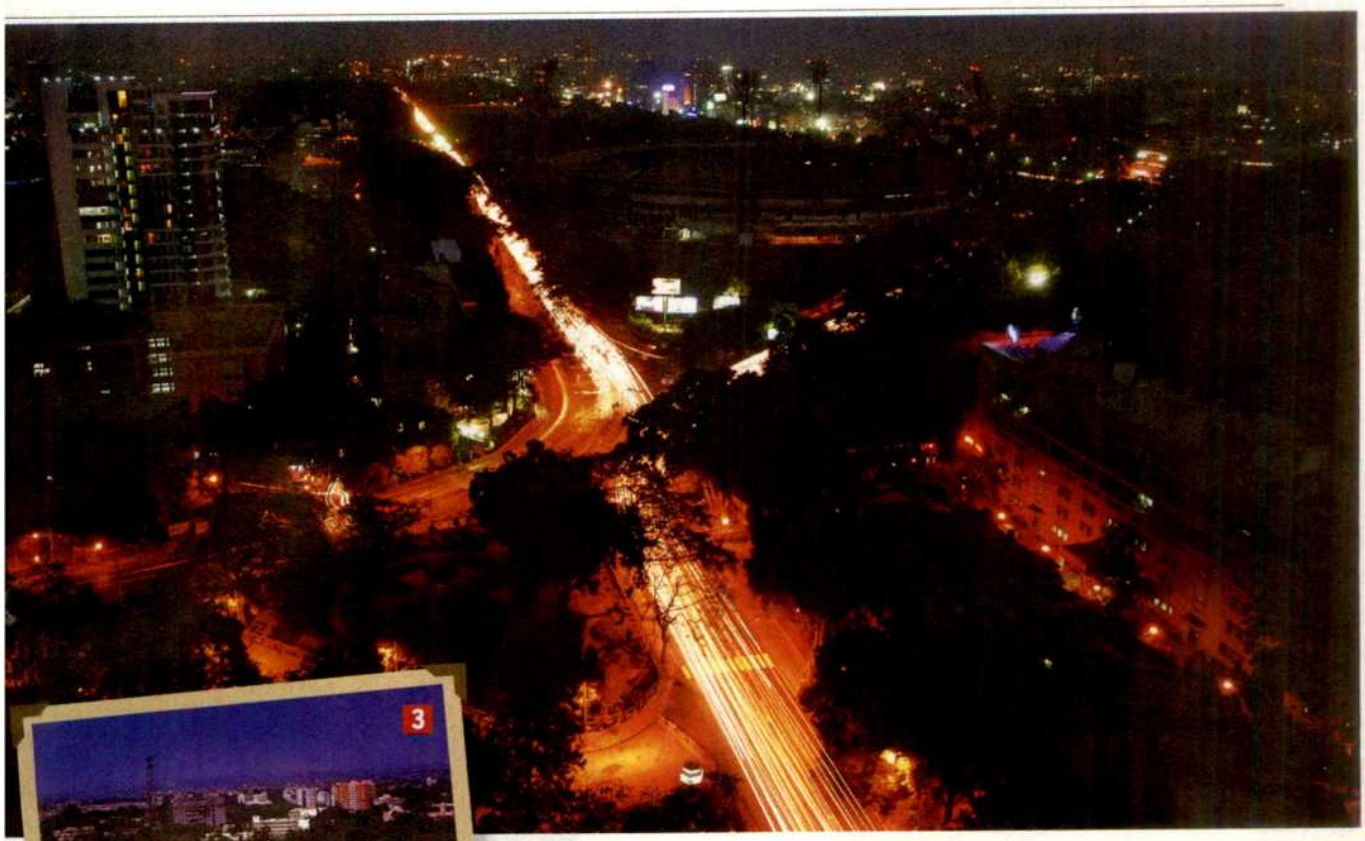
1. Prime Minister Deve Gowda meets Bill Gates at Davos and invites him to India. Gates comes calling in March 1997.

3. By 2000, as three foreign companies set up offices in Bangalore every fortnight, the pensioner's paradise transforms into a congested metropolis. IT exports cross ₹4,400 crore.





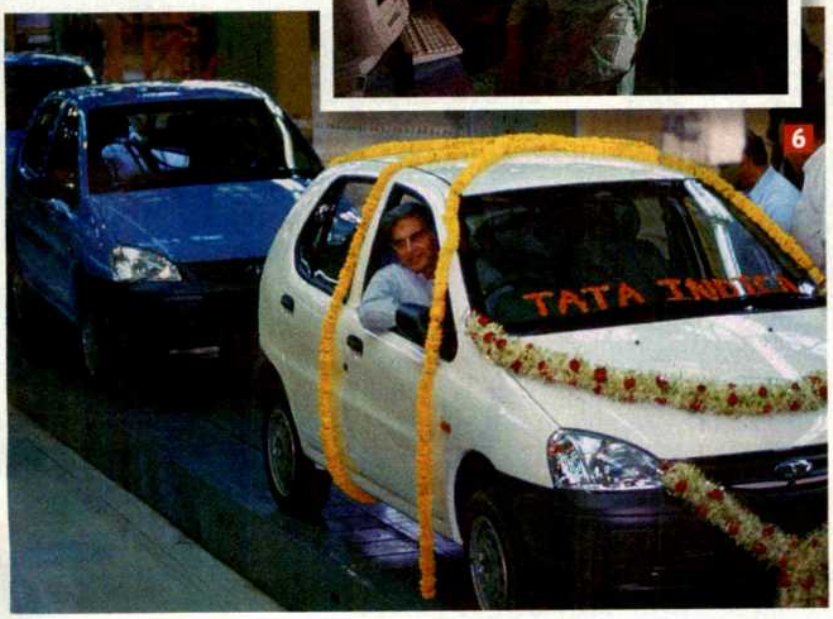
Sachin Tendulkar signs with Mark Mascarenhas's WorldTel for a $7.5 million, five-year marketing deal in 1995. It's the biggest such deal in Indian sports.



5. VSNL introduces Internet services in India in 1995. By 2003, 50,000 cyber cafés mushroom.

6. Ratan Tata behind the wheel of the Indica – India's first indigenous car – at its launch in December 1998.

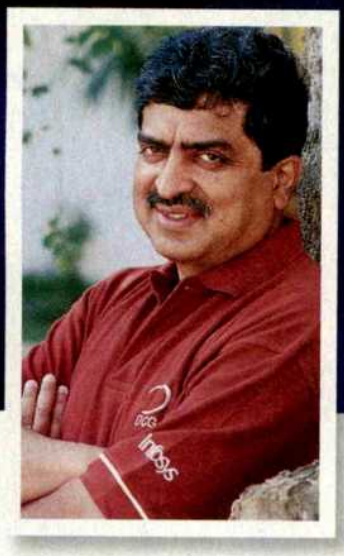
8. India's first ever fashion week – the Lakme India Fashion Week – is held in New Delhi in August 2000.



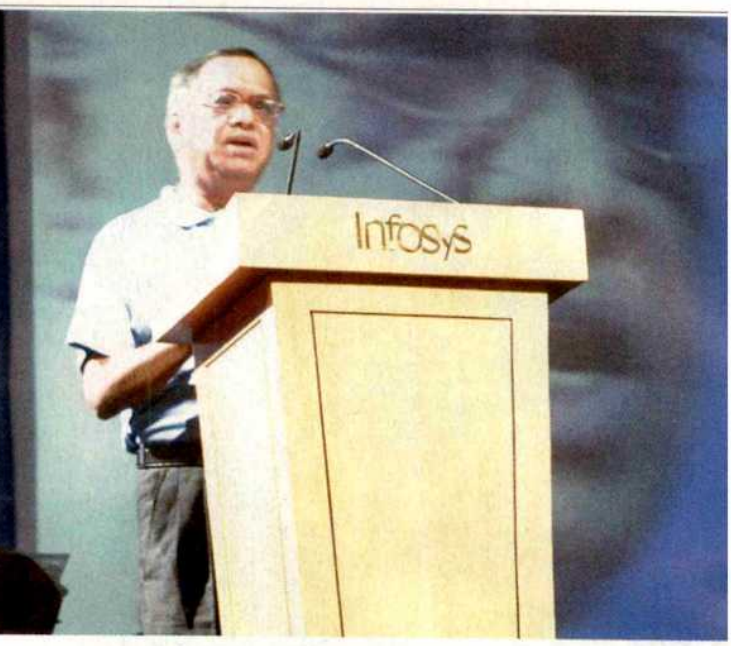
Dewang Mehta, head of Nasscom, becomes the voice of the Indian IT industry. Mehta's lobbying efforts led, in part, to concessions like zero duty exports and tax concessions. Mehta passed away in April 2001.

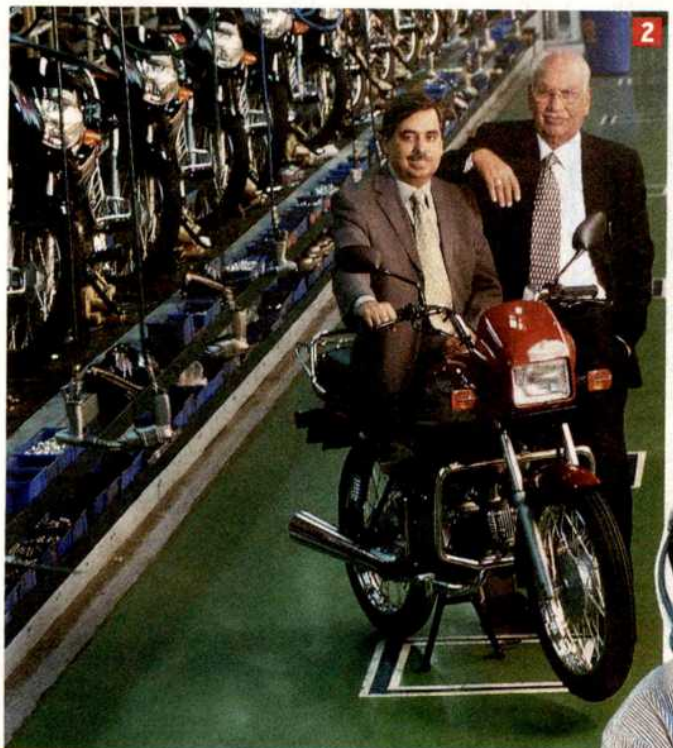
13 April 2004

Billion dollar day

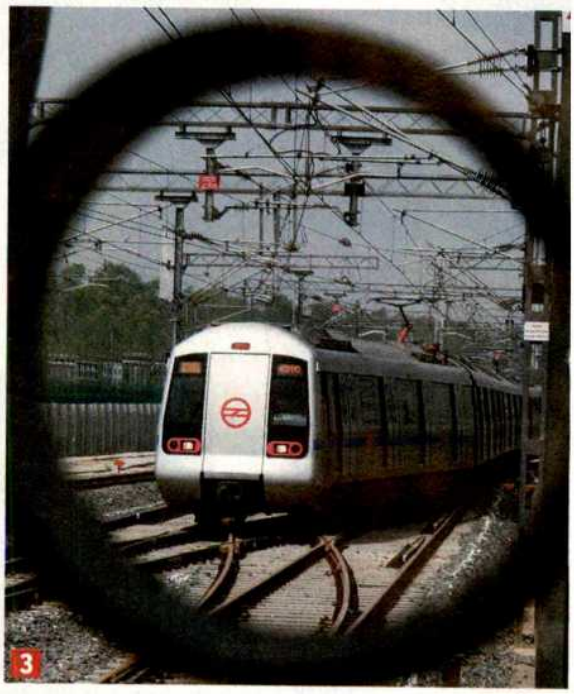


1 Nandan Nilekani takes over as CEO of Infosys from N.R. Narayana Murthy in March 2002. Two years later, Infosys clocks a billion dollars of annual revenue for the first time.





2

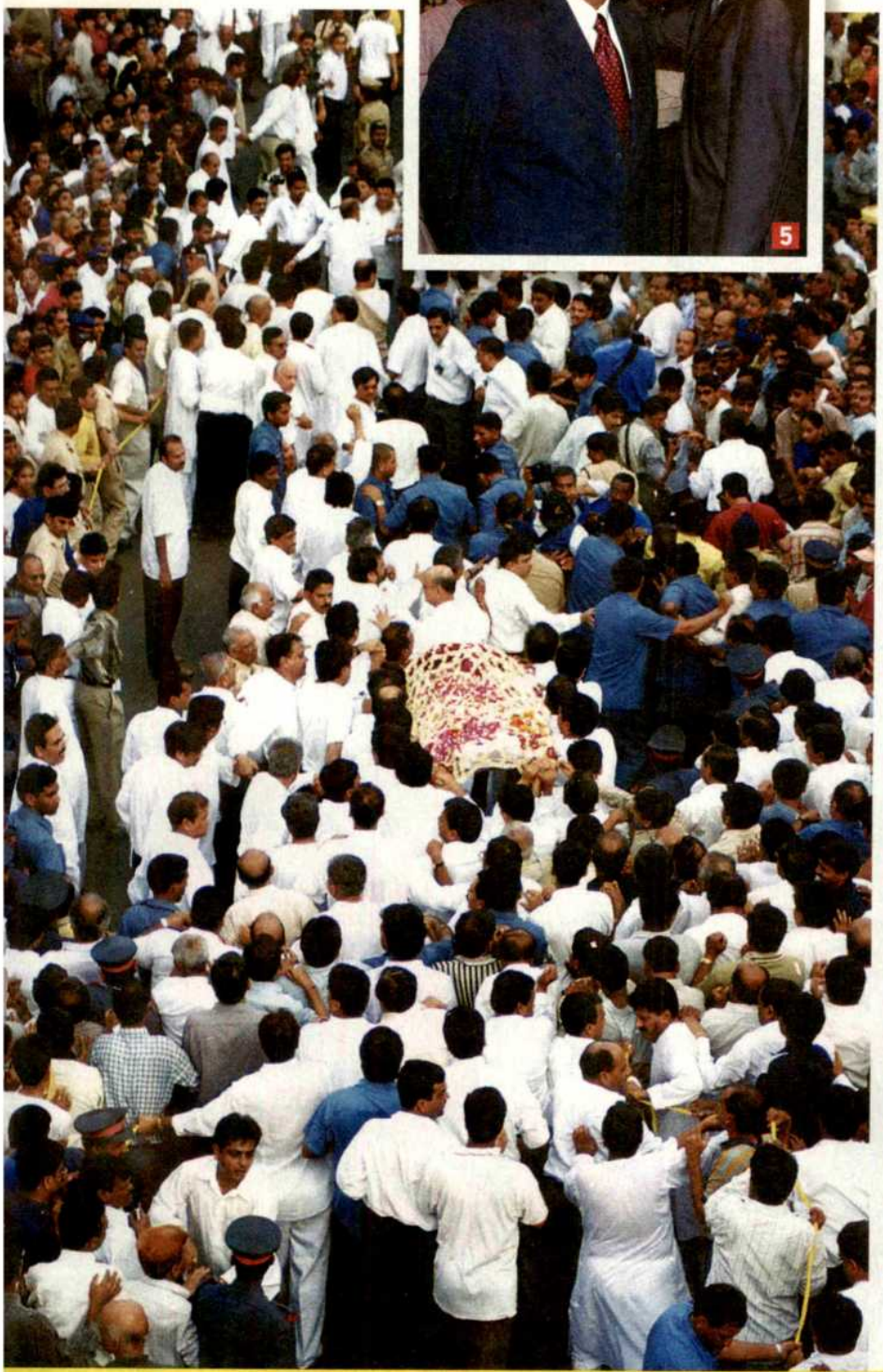


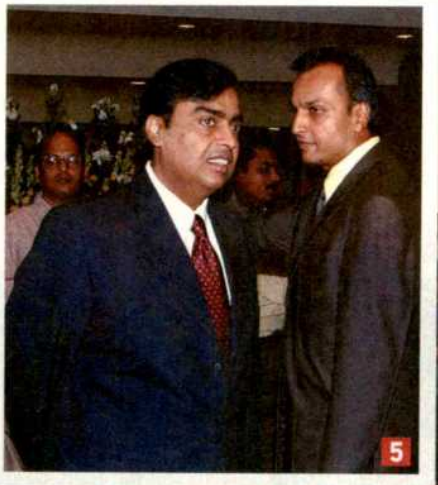
3

4 In 2002, Wipro buys Raman Roy-promoted BPO Spectramind. IBM buys Daksh in 2004. IT services players go the BPO way.

2001-2005

2. Hero Honda becomes the largest motorcycle manufacturer in the world by selling 1.3 million vehicles in 2001.





5

6

Helicopter pilot-turned-entrepreneur G.R. Gopinath launches Air Deccan in 2003. India's low cost aviation boom takes wing.

3. Delhi Metro is flagged off on Christmas Day, 2002. Since 2002, over 1.25 billion commuters have used the Metro.

5. Reliance founder Dhirubhai Ambani passes away on July 6, 2002. In November 2004, a spat between his sons, Mukesh and Anil, comes to light.

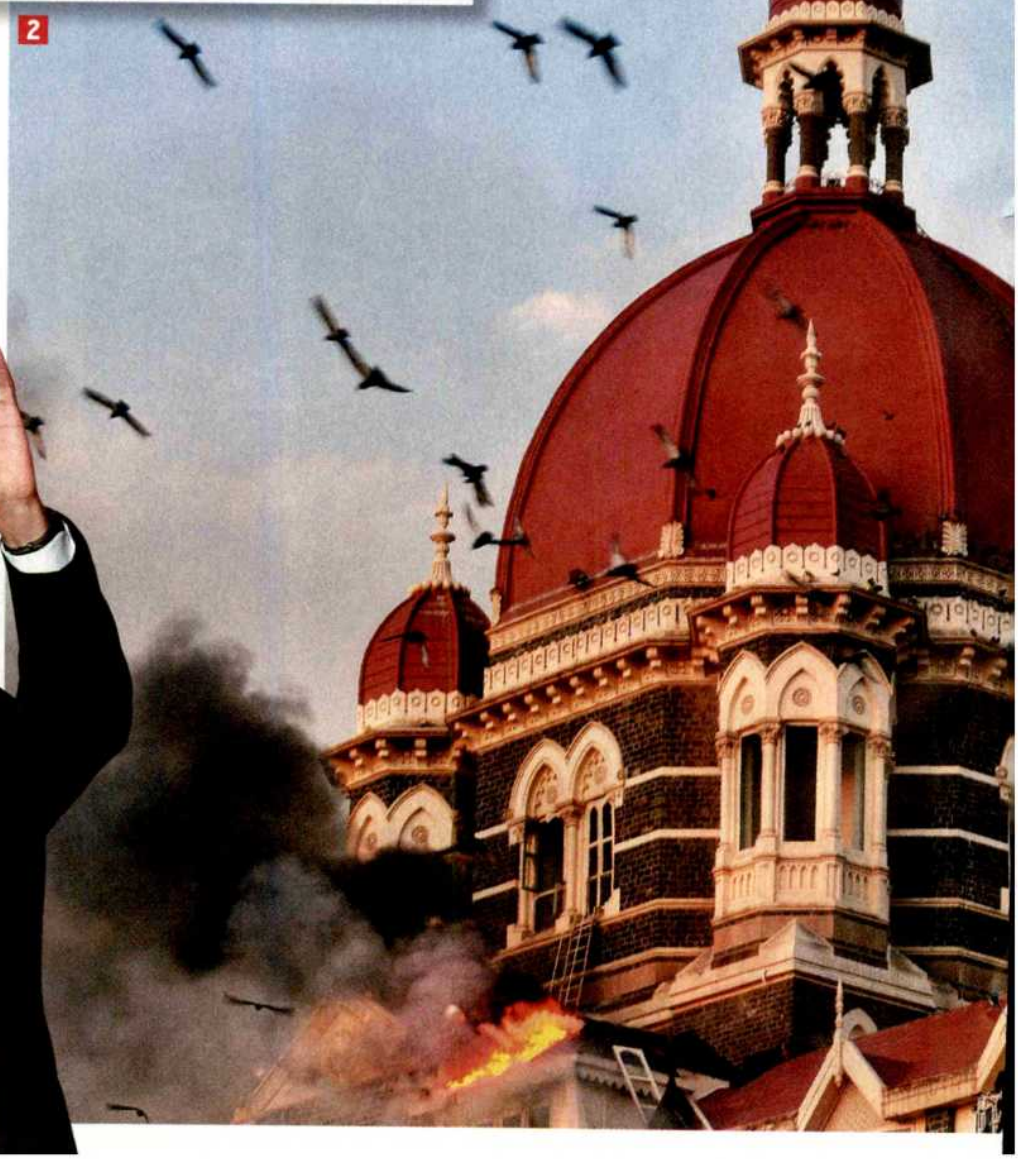
7. As spending power increases, India's mall boom begins. By 2005, 158 malls are up and running.

2006–2010

1. Lalit Modi creates cricket's most lucrative property, IPL, in 2008. Two years later, an out of favour Modi is persona non grata in Indian cricket.

2. 26/11: India's worst terrorist attack. Ten terrorists hold India's financial capital hostage for four days.

1


2

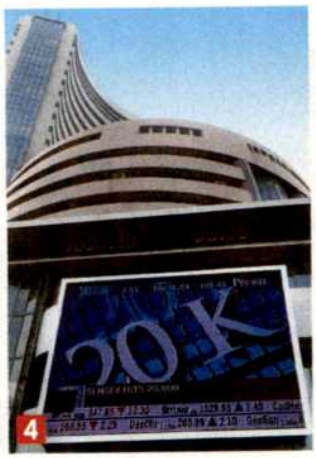
3

American President Barack Obama visits India, signs trade deals and goes back with 50,000 jobs for Americans in November 2010.

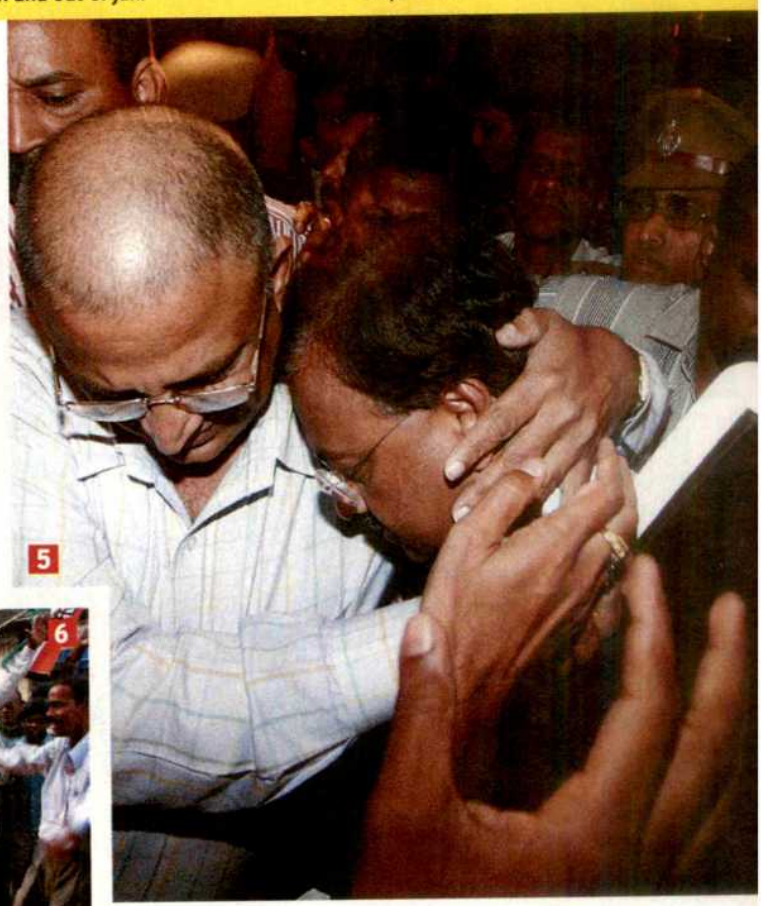
4. FIIs and robust economic growth put the Sensex on a steroid-driven growth path.

5. Satyam founder B. Ramalinga Raju confesses to cooking books in January 2009. Since then, he has been in and out of jail.

6. Protestors burn a model of the Tata Nano car in Singur, protesting against land acquisition.



4

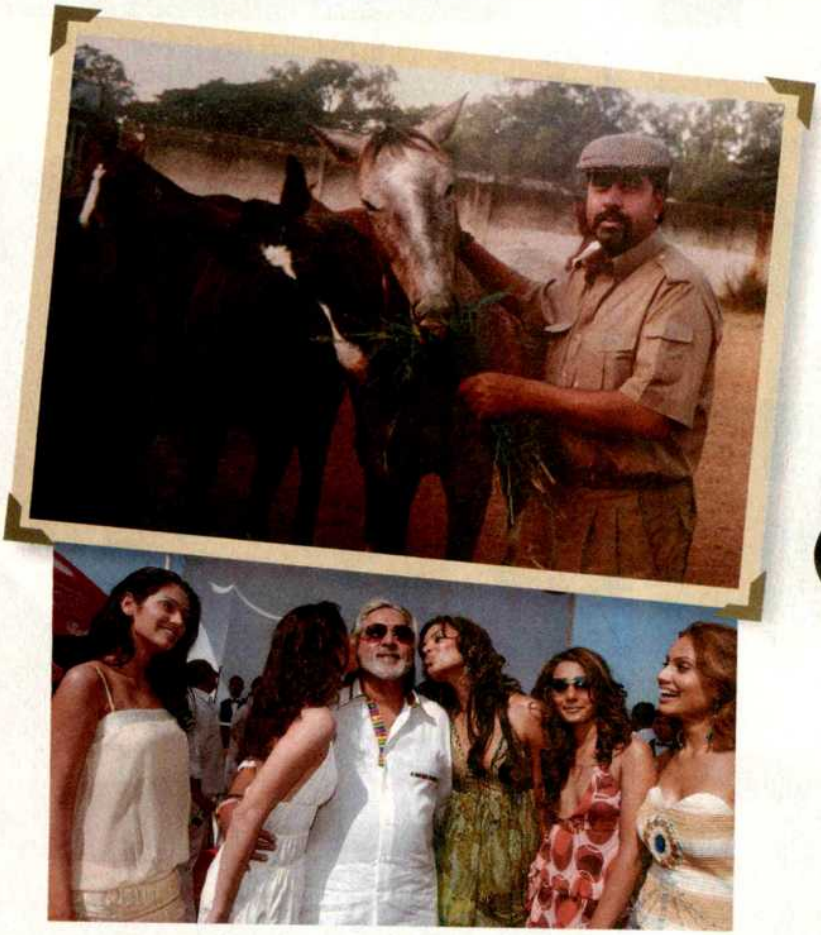


5

6

7

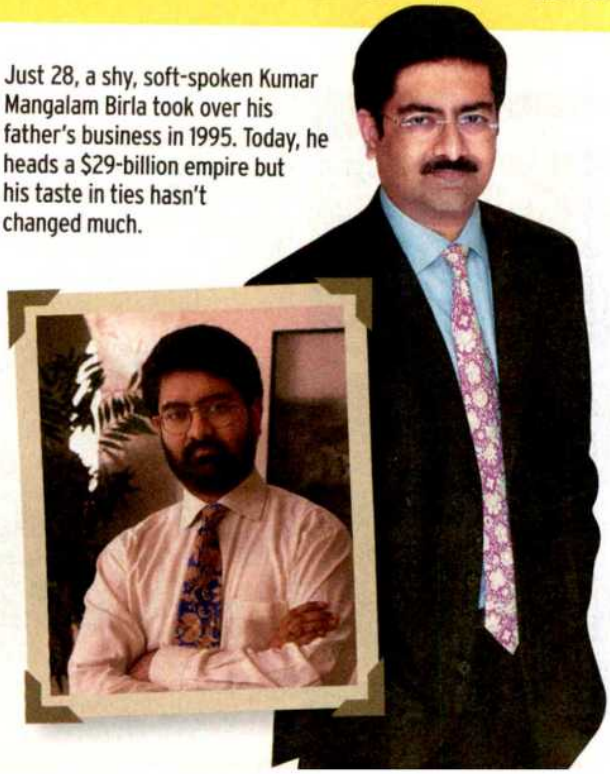
Scenes like these (below) were common at Indian airports in the late 1990s. Bangalore, Hyderabad, New Delhi and Mumbai either get brand new or refurbished airports.



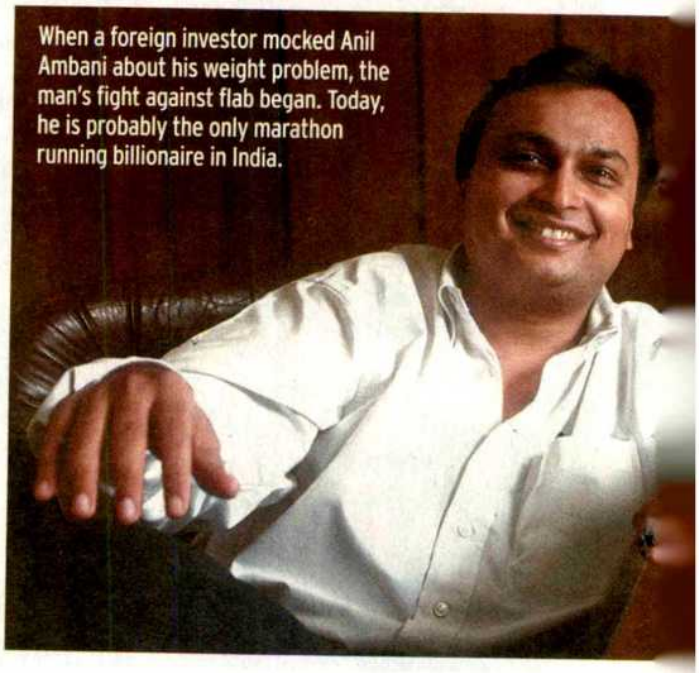
Always the bon vivant, Vijay Mallya's makeover goes beyond just business or for that matter even horses.

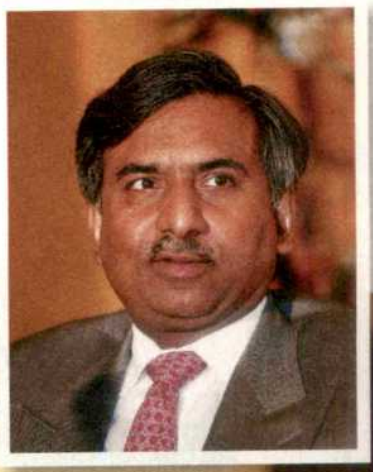
AND HOW THEY CHANGED...

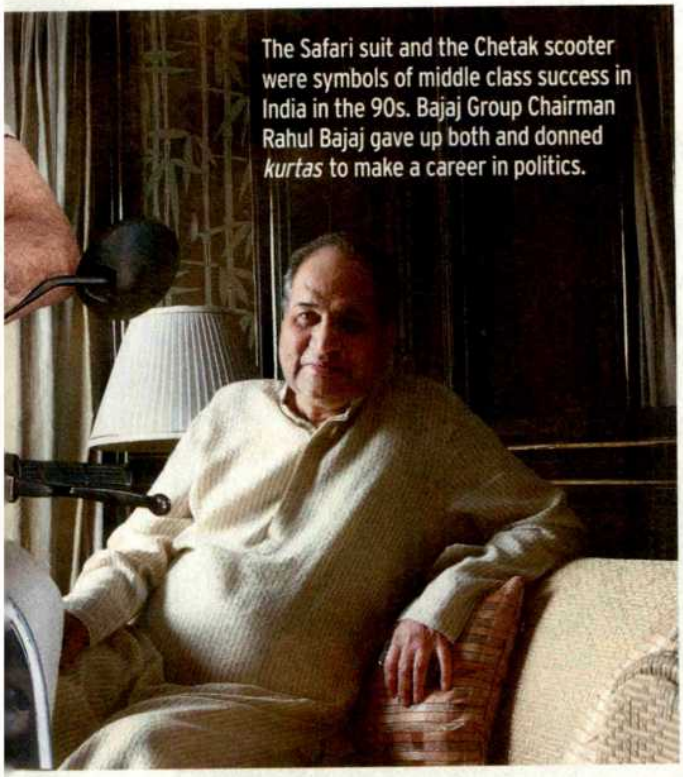
Just 28, a shy, soft-spoken Kumar Mangalam Birla took over his father's business in 1995. Today, he heads a $29-billion empire but his taste in ties hasn't changed much.



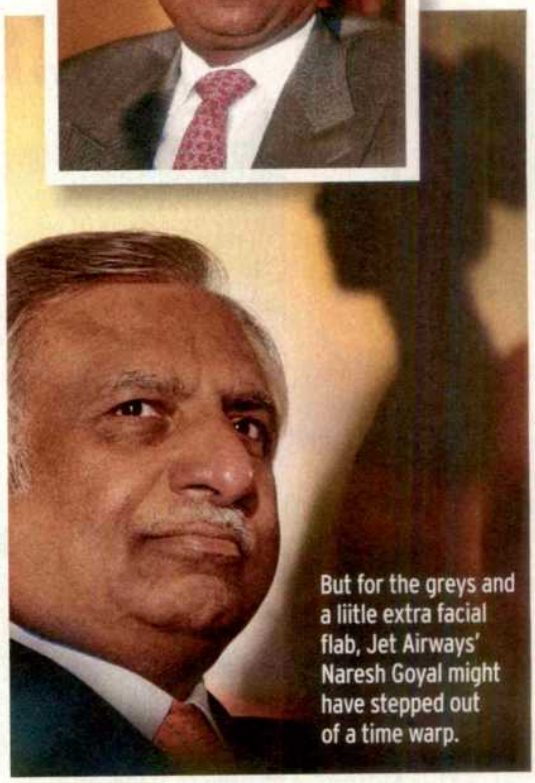
When a foreign investor mocked Anil Ambani about his weight problem, the man's fight against flab began. Today, he is probably the only marathon running billionaire in India.





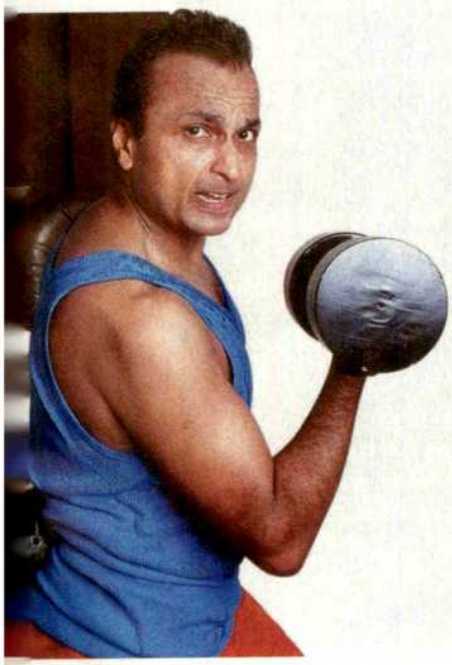


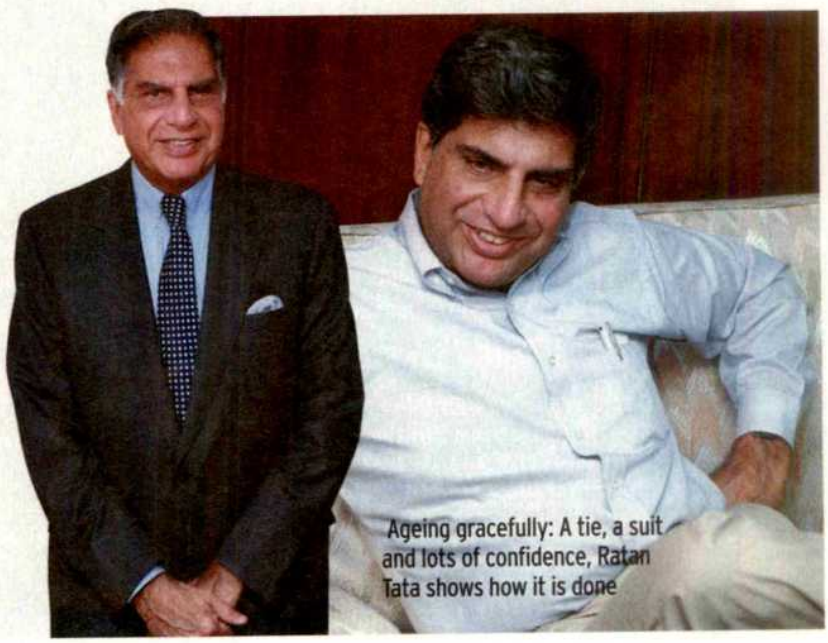
The Safari suit and the Chetak scooter were symbols of middle class success in India in the 90s. Bajaj Group Chairman Rahul Bajaj gave up both and donned *kurtas* to make a career in politics.



But for the greys and a liitle extra facial flab, Jet Airways' Naresh Goyal might have stepped out of a time warp.

Their businesses have changed and so have they. Some lost weight, others junked their wardrobe. Here's a look at how the leading men of Indian Inc have changed in the last two decades.





Ageing gracefully: A tie, a suit and lots of confidence, Ratan Tata shows how it is done

PORT
GANGAVARAM

GANGAVARAM PORT

Ultra Modern Deepest Port of India

Gangavaram Port is operational with five berths:

- Deepest Port in India with - 21 M depth in the harbour.
- Coal berth equipped with two ship unloaders capable of handling fully laden Capesize Vessels (upto 200,000 DWT).
- Iron Ore berth equipped with ship loader capable of loading Capesize Vessels (upto 200,000 DWT)
- Three multipurpose berths equipped with mobile Harbour Cranes capable of handling fully laden Panamax vessels (upto 75000 DWT).
- Most modern fully mechanized cargo handling system and environmental friendly operations,
- Excellent rail / road connectivity to hinterland.
- Round the year 24 x 7 operations.

Gangavaram Port has redefined port operational standards in India. It is the only port in India Capable of handling super Capesize ships carrying Coal and Iron Ore of even 200,000 DWT. The Cargo loading and unloading systems are among the best in Asia and have revolutionized the manner cargo is handled in Indian Ports.

Corporate Office:
Gangavaram Port Limited,
Hansa Crest, 1st Floor, Road No. 1,
Jubilee Hills Hyderabad – 500 033, Andhra Pradesh INDIA
Tel: +91 40 4434 9999 Fax: +91 40 4434 9990
Web: www.gangavaram.com; Email: port@gangavaram.com

Port Office:
Gangavaram Port Limited,
Gangavaram Post, Pedagantyada Mandal,
Visakhapatnam – 530 044, A.P., India
Tel : +91-891-2702277 Fax : +91-891 2703377

INFRASTRUCTURE ENTERPRISES OF ANDHRA PRADESH

BUILDING A BETTER TOMORROW FOR INDIA

These are the people who make India run. They have transformed by their pioneering contribution in building pivotal infrastructure both the nature and the profile of the Indian economy. They are a mix of the big czars and the smaller heroes. Imbued with the spirit of nationalism and an entrepreneurial drive they have and continue to contribute in building key structures, facilities and utilities that serve and are an asset to the national economy and the country's enduring future.

What is significant is that many of them have sown the seeds and risen from Andhra Pradesh to leave an indelible stamp on everything from expressways, dams, canals and other irrigation projects, public utilities as well as green field and brown field ventures like airports right across the country. Collectively they have a commanding presence as a shining symbol of Telugu pride for they are building roads, highways, expressways, canals, dams, flyovers, airports, hotels, other massive high rise edifices and multiplexes. They are in the forefront of the great India growth story.

Some names are eponymous like GMR and GVK, others are catchy acronyms like SEW, GKC,IVRCL and MEIL and there are many more with distinct names that reflect regional pride like Navayuga, Indu, Madhucon, Progressive and Ramky that are steadily increasing their pan India presence and with some drive and luck competing and bagging prestigious projects abroad. Yet others are active at home along the long coastline of Andhra Pradesh – Gangavaram Port Limited, Kakinada Seaports Limited and Krishnapatnam Port Company Limited – are making a big difference to infrastructure by creating unique port facilities.

These ports offer strategic advantages like deep draft berths, advanced material handling and evacuation systems, highly efficient operations, vast storage areas for all types of cargo and extensive ancillary facilities to its user. These advantages translates into dramatic cost savings to the user via reduced per ton ocean-freight owing to larger parcel sizes at deep-draft berths, reduced waiting time and faster turnaround of vessels owing to highly efficient port operations.

All of them tap on the large talent pool – Andhra Pradesh produces more engineering graduates than any other state – and are filling the skill gap by providing adequately trained manpower for business and industry even as they grow their presence throughout India . What makes them more wanted is the diligence with which they have tried to contain time and cost over runs while emphasizing and ensuring the quality on all projects be it big or small wherever they may be in remote terrain or in populous plains.

What makes these builders of huge infrastructure enterprises tick is their drive in identifying and seizing opportunities on the roll out of dynamic promotion initiatives to latch on firmly and complete the works with a striking signature impact. They are always prepared to face difficult challenges and overcome it to notch extraordinary success. This is why they have emerged as role models for all those aiming to be accomplished infrastructure players running mid – sized and large companies.

Their enduring belief that continuous growth comes from steady and planned expansion of business and induction of new infrastructure development related technologies is enabling these entities advance through innovation. Some have acquired wholly the best of world class competencies while others are on the way to achieving it. It has developed the qualities of being resolute, persistent and determined in these extraordinary builders. What sets them apart from other modern builders is the fact that they rely on patience, perseverance and passion and create benchmarks bringing in pioneering technologies, ensuring highest standards of workmanship and equipment while insisting on quality.

What they have in good measure is vision, dynamic leadership, sensitive stakeholder management, quality expertise and a sound financial model. As India grows as an economic superpower with a 300 million strong middle class these builders of a brighter tomorrow are also offering a poignant reminder: all that is being raised are national assets of importance of which not they alone but the entire country are custodians.

CREATING LANDMARKS

GKC
Inspiring the future

True to the credo that the rising stature of an infrastructure developer is in building physical assets whose utility outlives human life spans, **GKC Projects Limited** strives continuously in designing, constructing and commissioning varied projects in highways, irrigation, industrial infrastructure, power, mining and water supply within the agreed cost, quality and time parameters. Christened Gokul Krishna Constructions Private Limited, GKC as it is now known, is a rapidly growing company in the infrastructure sector with interests spanning all-format projects – EPC, DBFOT, turnkey and others apart from state and cental government departments and PSU's.

GKC is driven by its vision to become a leader in infrastructure development, dedicated to designing and delivering quality assets that hold superior value. From a modest beginning in 1996 with lift irrigation and drinking water pipeline projects, GKC has come a long way as developer, builder and partner of choice with the ability to rise above expectations. GKC's track record helped in building long-lasting relationships with a number of principals, associates, government agencies and PPP projects. GKC has a pan-India presence with major projects in states such as Andhra Pradesh, Gujarat , Maharashtra, Tamil Nadu, Jharkhand, Karnataka, Chhattisgarh, Madhya Pradesh and Rajasthan and a soon expanding overseas footprint as well.

K V Rajasekhar,
Managing Director of GKC

GKC's evolution into a formidable entity in its chosen areas of engagement (expected turnover of Rs.10,000 million and direct employment in excess of 1500 by March 2011) is inspired and led by Mr. K. V. Rajasekhar, the founder promoter and a first generation entrepreneur. Mr. Rajasekhar steered the company meticulously in leveraging its potential through rapid expansion and steady consolidation. Starting with an assiduously cultivated expertise in fabrication and laying of MS, DI, GRP and HDPE pipes, GKC progressed quickly up the learning curve to design and build state-of-the-art roads, irrigation canal networks as well as industrial, power and mining projects across India. The confidence springing from the cumulative successes and the right internal measures on-time are enabling GKC to bid, win, build and commission brown field as well as green field projects of considerable complexity in India and overseas, working in partnership with industry leaders such as Larsen and Toubro, Tata Projects, Vedanta, IL&FS, IVRCL, Sadbhav, NCC, Indu Projects and several others apart from state and central government departments and PSU's.

The accent on meticulous execution and delivering value to stakeholders is reflected in the impressive growth of GKC from a turnover of Rs.242 million in 2004-05 to Rs. 7,938 million in 2009-10 registering the surge in turnover - 33 times in a short span of six years. Matching that financial growth, the nature of the jobs progressed from drinking water pipelines and lift irrigation projects to six lane highways and massive irrigation ventures. "Our client conscious approach, commitment to time and cost lines, sensitivity to safety and sustainability, adherence to quality systems and standards, value added technical expertise and innovative engineering solutions is standing us in good stead",observes Mr. Rajasekhar.

GKC is furthering its frontiers. Mr. Rajasekhar has renewable energy, mass transportation, tourism and social infrastructure (healthcare and education) as potential areas for growth and

ynergy. A commerce graduate with a modest background, the affable and pragmatic Mr. Rajasekhar took firm but calculated steps towards efficiently tapping the huge potential beginning with pipeline projects. Since then he has not looked back. Cultivating the culture of inclusiveness by valuing individual expertise and strengths he has been able to give GKC clear goals imbued by a realistic vision.

Mr. Rajasekhar has drawn the plans for the road ahead till 2015:

- Tap the huge domestic potential in the infrastructure space
- Expand into diverse sectors by partnering with local/international players
- Join the league of companies with revenues of over Rs.3,000 crores
- Establish credentials in the international market as well
- Prepare and ready the organization to manage the further exponential growth

GKC, in line with its philosophy to build competency and ownership at all levels has been investing heavily in training and development. The quality policy for instance, is an employee owned value system audited independently for effectiveness. Aided by detailed documentation, the quality policy is designed to exceed customer expectations. GKC's quality, safety, regulatory compliance, cost, brand and objectives are increasingly becoming employee anchored and propelled with an exhortative guidance of Mr. Rajasekhar and his top team.

GKC is encouraged by its differentiators and the accolades it receives which it understands as devolvement of greater responsibility by various stakeholders and a cause to dedicate itself to scaling greater heights. Achievements notched so far include:

- Figuring among the elite to have an ISO 9001 certification
- Recorded a CAGR of 101% since its incorporation (last 6 years)
- Received award twice from Tata Projects Limited for implementing best safety practices in project execution
- Completed around 38 major projects
- Laid and commissioned pipe lines in excess of 1000 km and manufactured around 1,85,000 MT of MS pipes
- Completing ADB funded highway projects covering 156 kms in Chhattisgarh ahead of schedule

As India is seized of the imperative to invest extensively in quality physical infrastructure to enable individuals and organizations to realize their full potential and help the nation achieve its rightful place in the world economy, GKC is deeply committed to stay in the forefront as an involved participant and a trusted partner committed to raising the bar constantly on performance and delivery and seeking to extend its India's foothold in the competitive global infrastructure industry.

With the success and the fortification from the slew of lessons learnt so far, it now only looks easy for GKC to further the trajectory of growth. Combined with its commitment, leadership and aspirations, GKC is in the forefront of responsible corporate citizens in the making.

What Sets GKC Apart

- Quality and timely service
- Leading by example
- Providing opportunities to young managers
- Inclusive nature for a holistic view
- Articulating requirements clearly to down-the-line
- Equal credit to people who have contributed to organizational growth
- Enduring business ethics

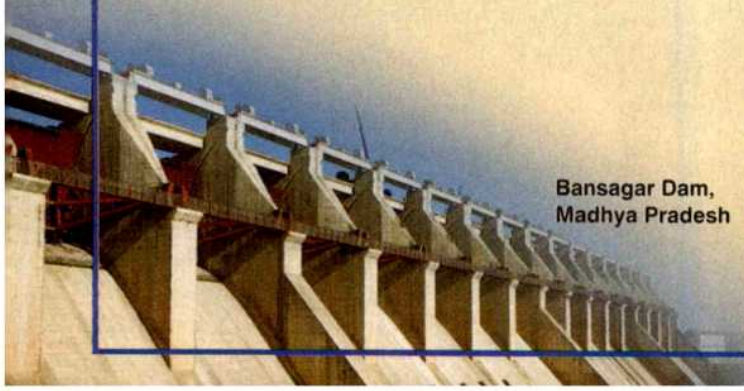
web: www.gkcpl.com || feedback: info@gkcpl.com

SEW Setting higher standards of excellence

When it took up construction and completed what has the distinction of being the largest masonry dam in the world at Nagarjunasagar in Andhra Pradesh **SEW Infrastructure** achieved what Prime Minister Jawaharlal Nehru, who laid the foundation stone, envisioned as a modern temple of India. It remains to date a showcase of modern India's architectural and technological triumphs in the symbiotic growth with Nature. Since it took up this path breaking challenge in the 1960s SEW has not looked back in tapping opportunities to demonstrate its innate capabilities in civil engineering to create invaluable national assets.

SEW has participated in the construction of several dams including the well-known Tawa Dam, Bargi Dam, Bansagar Dam and Hasdeo Bango Dam, all in Madhya Pradesh and the Srisailam Dam over a deep gorge on the Krishna river in Andhra Pradesh. While meeting the set targets with its highly skilled and professional expertise, the company has attained the enviable status of specialists in the construction of high rise dams. More than 30 of the prestigious dams across the country bear the SEW stamp and with the distinction of being completed on schedule.

It all started as a partnership firm in 1960. Sri Vallurupalli Nageswara Rao of Vijayawada along with Sri Y.M.G. Nageswara Rao and Late Sri Y. Purnachandra Rao as partners established a civil engineering and construction enterprise called Southern Engineering Works (SEW) at Vijayawada in Krishna District of Andhra Pradesh. Little did they imagine that the firm will evolve and go on to build the two major dams upstream on the river Krishna at Srisailam and Nagarajunasagar in the state. Growth with time has turned the partnership entity into SEW Infrastructure Limited.



Bansagar Dam, Madhya Pradesh

The company has since diversified into construction power plants and participated in construction of seve hydro power projects in Madhya Pradesh and Himacl Pradesh. These power projects include surface pov plants and underground power plants. As a natu progression, SEW has broadened its horizons and has bi thermal power projects, as well as gas based a combined cycle power plants in states such as Andl Pradesh and Gujarat.

Construction of major canal systems and modernization existing canals is as important as construction of dar and barrages. SEW had taken up and completed schedule excavation and modernization of major cai works such as Sreeramsagar canal and Kurnool Cuddap Canal in Andhra Pradesh, Mahanadi Reservoir and Tandi Reservoir projects in Chhattisgarh. The canal wor include construction of structures across the waterwa SEW has also proved its expertise in construction several aqueducts and head regulators. The company h retained its pre-eminent position in building dan barrages, canals and aqueducts, power projects a continues to be a preferred choice for projects amo these segments.

As part of further diversification plans, SEW had taken construction of highways and bridges. SEW has be actively present in other key segments such construction of institutional and commercial buildin industrial structures and housing projects. It is buildi stations and bridges for the prestigious metro rail project Mumbai Metro One Private Limited.

Execution capabilities and successful completion projects and policy changes in entrustment of maj projects encouraged the SEW team to bid for EPC projec in place of the earlier system of awarding works on ite rate contract. SEW has made the necessary interr system changes to adopt to the new requirements enabli the company to successfully manage and comple projects on EPC basis in the power, highways and irrigati sectors. The company is executing several canal and irrigation projects including pipeline projects, hydro pow projects and tunnels spread across the country.

SEW is pursuing the opportunities existing under the Public, Private Partnership model adopted by the Government of India and the top priority given to the projects in power and highways sector. About 750 MW of power projects on BOT basis and a few BOT road projects under NHAI or State Government are under implementation at various stages. SEW's approach has been to pursue excellence – being client focused, professional, motivated, responsive and dependable and satisfy clients through quality and timely execution of projects. Every transaction is an opportunity to set newer and higher standards.

Quality is accorded the highest priority by SEW at every stage of project execution, from planning to delivery. Having worked with experts in various state governments and internationally funded projects adopting new technologies, SEW is familiar with various national and international standards and practices. The 6,000 strong employees are treated as part of the SEW family and they enjoy privileges that are on par with the best standards in the Industry. The result is incredibly low attrition.

Mumbai Metro Rail Project, Maharashtra

Serving society is one aspect that is very close to the heart of the company's management. SEW has launched joint corporate social responsibility initiatives with other organizations to train unemployed youth from the economically weaker sections having minimum educational qualifications. Free training is provided to them in areas such as building brick masonry, shuttering and reinforcement, surveying and leveling. After training, these students retain their option to work either at SEW projects or in other projects.

Free training is also provided to graduates with computer background in Oracle, web designing and hardware networking. Similarly, free training is provided to graduates with commerce degree in Tally and Office automation. For those who pass out of school, free training is provided in hospitality management suitable for the hotel industry. SEW provides necessary assistance to those who successfully

Khalghat Road Project,Madhya Pradesh (BOT Project)

complete the training program in securing jobs. SEW renders financial assistance to organizations which provide assistance/ training to the physically and visually challenged, as well as deaf and dumb children besides financial assistance towards mid day meals for the school children.

This is why SEW stands apart as professionally managed company with a knowledgeable board of directors who have hands-on experience in executing projects and are backed by a large and well-knit team of qualified, experienced and dedicated engineers, construction managers, administrative and accounts personnel. The company has been stepping up its profits and improving on all its fundamental and financial parameters. The aim is to be a leader with strong client relationships, satisfied workforce with an impeccable reputation and provide top quality products and services without cost and time overruns. SEW's track record has been a testimony for sustained growth and provides confidence to look to the future with enthusiasm.

Awards and Accolades

- GOLD MEDAL from Prime Minister (1967) for Nagarjuna Sagar Dam.
- Memento and Scroll of Honour from Prime Minister (1992) for Gambhir Dam.
- Fastest Completion and Commissioning Award (1997) for Tawa Hydro Electric Project.
- Merit Certificate of Chief Minister, Madhya Pradesh (2000) for Bansagar Dam Spillway.
- Appreciation & Award of Bonus from N.H.A.I (2004) for National Highway Road Work.
- Gold Medal received for completing the Velligallu Spillway work in record time (2008).
- Chief Minister's Certificate of Appreciation for Telugu Ganga Project (2008).

meil
Megha Engineering & Infrastructures Ltd.

PIPING WITH PRIDE

Seldom does a corporate entity endeavour to stay ahead in tune with economic change rather than outwit commercial competition. Megha Engineering and Infrastructures Limited, popularly known as MEIL, is doing exactly that by providing leadership through engineering excellence and in keeping with the India's growth and success story. Its credo: change and evolve to keep pace with the times.

With a steadily increasing pan – India footprint MEIL, has already left an indelible mark in the development of infrastructure that drives the growth engine in irrigation, power, roads, railways and providing drinking water besides fulfilling specific tasks in the manufacturing and industrial sectors. In just two decades since the opening up of the national economy MEIL has created outstanding marvels of engineering and steering ahead after notching up a turnover of Rs.2,400 crore in the last financial year.

What MEIL has achieved so far through its pioneering ventures is just the beginning. Its endeavour has had striking impact. To irrigate the parched lands, MEIL has lifted huge quantity of water almost equal to that of the biggest river in Andhra Pradesh. It reached ten million people with its drinking water projects. The length of the pipelines laid is more than the distance between Kashmir and Kanyakumari. With Roads and Power Transmission Projects, MEIL has proved its strength in the Infrastructure sector too. Recently MEIL has ventured into Solar Power and has secured EPC contract from Maharashtra State Power Generation Company. In order to make on-time, in-budget deliveries, the company has built a proprietary supply chain of most used products. The manufacturing facilities produce GRP Pipes, Spiral Pipes, Fiber Glass pipes, Water hammer... to mention a few. This helped reduce its supplier dependence to the minimum while bringing down the inpu costs substantially owing to streamlined logistics customization skill and control over production.

Strengths that have become innate after gaining throug engineering experience and excellence has also enabled MEI foray into the hydrocarbons sector to tap prospects in bot offshore and onshore projects. Starting with the ONGC – Assar Renewable Project on EPC Basis, the company proved to b competent with facilities for Separation, Crude Distillation an Desalting, Gas Dehydration and Gas Compression. It has als forayed into divisions like Laying of Trunk Pipelines, Gas powe generation, Hydrocarbon effluent treatment, Storage Tank Structural and processing plant piping, Shut-dow maintenance and revamp works.

At MEIL, its 2,000 employees are fired by the zeal to equip th country with an engineering and infrastructure foundation th can hold up its pillars for generations to come. They a motivated by the inspirational thought that the road ahead is a long as we want to make it. With industry leading expertise an best practices, the highly experienced professionals hav developed MEIL as an enduring entity with strong and prove design, development and delivery credentials unsurpasse across several sectors of business and industry.

The consistently increasing net worth of MEIL and th management policy of regular investment in sophisticate equipment as a backward integration move have enabled th company to bid for larger orders and significantly increase i average order size year on year. This is enabling MEIL empower India 's infrastructural growth by redefinin infrastructural excellence with innovative contributions. An house Research and Development facility enables MEIL to sta

ahead in an era where market – based knowledge, practices and technology are going through a rapid obsolescence cycle. This facility keeps all divisions updated with the latest developments and improvements in every aspect of the project life cycle. It provides valuable inputs starting from the inception stage, continuing through the design, implementation and maintenance stages and ending with the creation of long term blueprints for the efficient sustainability of all projects carrying the MEIL stamp. This, in turn, ensures a commitment that empowers the company at every level to strive for the highest levels of quality and, ultimately, consumer satisfaction.

MEIL has successfully developed and executed strategies to protect India 's river waters from downstream uses and insure water availability for future needs. It has the capability to deliver turnkey pumping stations and allied integrated systems, power and automation products for large water transfer projects. MEIL is currently executing a revamping project of one of India 's largest on shore oil and gas field facilities for ONGC – Assam Akwa fields on EPC basis. It has been entrusted with the execution of the massive four laned and six laned highways across the country on Build Operate and Transfer basis.

MEIL covers the entire spectrum of the building services engineering industry, including design, installation, commissioning, operation and maintenance of services in buildings. Equipped with the scale and capability to undertake massive projects it employs the best processes and technologies in the industry and ensures that the most challenging projects beat the deadlines with quality imperatives. MEIL also forms public – private partnerships to make the best use of government resources and private competence.

The sharp focus on quality in all its initiatives has enabled MEIL launch three specific valued added services:

Megha Fibre Glass Industries Limited (MFGIL) which has emerged as a superior fabricator of Fibre Reinforced Plastic Pipes best suited for the transportation of most types of highly corrosive chemicals. All products in this range are made in strict compliance with the ISO 9001:2008 and ISO 12709 norms. MFGIL's trusted pipe technology best uses the remarkable strength and flexibility of glass fibre and is industry – beating in terms of earthquake proofing, chemical resistance and hydrological characteristics. It continues to customize and implement pipe solutions for several of its ongoing projects leading the way in evolving new pathways in the industry.

- MEIL Advanced Systems Limited (MEIL – ASL) which is the outcome of the MEIL group's philosophy of continuous innovation is engaged in projects with homeland and coastal security to develop and upgrade various technologies into India – specific hi-tech solutions and systems.

- MEIL Media which provides comprehensive solutions for all out – of – home marketing and advertising needs with smart, new cost effective and lifestyle advertising products and services in this innovative media space. In an unique maiden initiative, it is to launch and operate the business of transit advertising by displaying mobile digital platforms in 21,500 buses operated by the Andhra Pradesh State Road Transport Corporation. The fleet will be fitted with LCD screens and custom made content delivery hardware. The network of these screens will play a mix of entertainment, information and advertising including commercials, contests, travel clips and non – commercial content such as public interest messages.

Innovation with experience as watchwords is enabling MEIL with strong backward integration, relying on state of the art technology and building durable bonds grow faster than most players in the infrastructure business. These are strengths that will help it stay ahead.

- **Innovation with experience are MEIL's watchwords.**
- **Turnover poised to cross the Rs.3,000 crore mark in 2010 – 11.**
- **Length of pipes laid is more than the distance between Kashmir and Kanyakumari.**
- **Spin off specialized services are offered by Megha Fibre Glass Industries Limited, MEIL Advanced Systems Limited and MEIL Media.**
- **Employs the best processes and technologies in the industry and ensures that the most challenging projects beat the deadlines with quality imperatives.**

web: www.meil.in

INVITING FUTURE LEADERS

technopak

We are a leading management consulting firm with a difference. Founded in 1992 on the principle of "concept" to "commissioning", we are in the top 5 (and the largest home grown) consulting firms in India by revenues. We are strategic advisors to our roster of over 800 marquee clients, and work closely with them during the strategy ideation phase and then implementation including new business start-up and performance enhancement. One of our biggest strengths is our very deep and unique understanding of the Indian consumer, across all the sectors that we work in.

Our 6 core verticals are amongst the fastest growing in India:

- Retail & Consumer Products
- Fashion (Textile and Apparel)
- Healthcare
- Education
- Food & Agriculture
- Leisure & Tourism

Why we stand out from our multinational competitors...

- Deepest expertise in all our six core verticals
- Unique Indian consumer insights
- Indian firm, global vision, unmatched India expertise
- Speed of response
- Work with the entire ecosystem in each of our sectors (including government and public sector)

Our track record does the talking...

- We do more than 150 projects across these 6 sectors, every year.
- More than 60% of our projects are from repeat clients
- Clients from 24 countries across 5 continents

Our Partners:

Foley Designs
Amongst India's leading insights and innovation-led industrial design firm, focusing on product, packaging, space, and strategic design, and including design research, concepts, engineering and prototyping. A blend of unique, contemporary and relevant concepts and solutions. www.foleydesigns.com

Vertebrand
India's first completely integrated brand management consultancy offering a holistic and effective branding and brand management solution for fast growing, mid-size companies and for new products and services. www.vertebrand.com

retail Textile fashion Consumer Products

OF INDIA...

To help us grow quicker and become stronger, we now invite applications for consulting positions across all our 6 verticals from current and future thought leaders, to be a part of a very high caliber team which is setting up new, potentially world class, businesses of the future in these 6 high-growth sectors of today and tomorrow, and get on to a fast track career to become experts and industry leaders in these sectors.

Technopak is looking for exceptionally intelligent and experienced professionals who have the drive to succeed and a passion for sustained performance. If you have a very high quality education, strong performance credentials and references, great communication skills, with an all-round, pleasant, and impressive personality, then we are looking for you.

At Technopak, we foster innovation and creativity which challenge conventional thinking and generate practical and far reaching solutions for our clients. Technopak offers you a highly stimulating entrepreneurial work environment and a dream team of experienced colleagues. We invite you to become a part of, and contribute to the world of opportunities that exist in our environment and in our sectors of operation.

All positions are based out of our office in Gurgaon (except for our partner companies which are based out of Bangalore)

Position	Role
Senior Vice President / Vice President.	Strengthen the leadership team of any of the 6 major verticals Key Responsibilities: Business development, client relationship management, delivering / sharing of vertical's P&L responsibility, Service line development, Team development, and vertical's marketing / brand management Desired Experience: 14 – 18 Yrs of which at least 10 must be in any of our 6 core sectors
Associate Vice President / Associate Director	Business development, project delivery and client management, revenue management. Key Responsibilities: Project Quality and Delivery, Service lines development, Project and Client Management, Vertical development, and Team development and management. Desired Experience: 10 – 14 Yrs of which at least 8 must be in any of our 6 core sectors
Principal Consultants / Senior Consultants	Lead project teams for delivery and management of projects. Key Responsibilities: Project co-ordination and delivery, Service lines development, Project and Client Management, Resource management and Capability / consultant skills development. Desired Experience: 7 – 10 Yrs of which at least 5 must be in any of our 6 core sectors
Consultants	Work with teams on delivery of project, including consumer and market research, strategy development assistance, and on implementation of our recommendations Key Responsibilities: Consumer & Market research, Content development, Modeling and innovative solutions for Projects, and add to Body of knowledge across each of our core sectors Desired Experience: 3 – 7 Yrs of which at least 2 in any of our core sectors.

For applying please visit the careers section of our website at: **www.technopak.com/careers** and upload your resume.
The detailed job descriptions and information on our hiring process is also available there.

For a discussion, please contact
Anuricha Chander, Sr Manager, HR - Mobile: +91 9650004552 and Email: anuricha@technopak.com

healthcare education food agriculture leisure tourism

JET AIRWAYS

business today

JetPrivilege Exclusive Offer

Enjoy Special Subscription Rates. Earn JPMiles.

Subscribe to Business Today.

Through the JetPrivilege- Business Today partnership, enjoy the below benefits (w.e.f. 15th October' 2010)

Term	Number of Issues	Term Price (₹)	Special Subs. Price (₹)	JPMiles Offer	
5 Years	130	3250	~~2699~~	1000 JPMiles	Best Buy
3 Years	78	1950	~~1499~~	500 JPMiles	
1 Year	26	650	~~590~~	250 JPMiles	

Exclusively for JetPrivilege Members as it is not a regular plan which is offered in the Market.

Please fill in the following form and send it back to us in the address mentioned below

Subscription Savings Form

Yes! I would like to subscribe for:

☐ 5 Years (130 Issues) : You pay ~~₹3250/-~~ **₹2699**/- + Earn 1000 JPMiles **Best Buy**

☐ 3 Years (78 Issues) : You pay ~~₹1950/-~~ **₹1499**/- + Earn 500 JPMiles

☐ 1 Year (26 Issues) : You pay ~~₹650/-~~ **₹590**/- + Earn 250 JPMiles

Send form with payment to Living Media India Limited, A-61, Sector 57, NOIDA-201301 (U.P.)

JetPrivilege No.....

Name _____ Address _____

_____

Postal Code _____ Tel./Mobile _____ E-mail _____

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ MasterCard ☐ American Express

Card No _____

Expiry _____ Signature _____

Payment Enclosed: ☐ Cheque ☐ DD No._____(in favour of Living Media India Limited. For non-Delhi cheques, please add ₹10/-)

Subscription Terms & Conditions: Business Today cover price is ₹25/- ☐ Subscription price valid in India and subject to change. ☐Allow 4-6 weeks for processing of subscriptio ☐It will not be possible to entertain any request for cancellation once the JPMiles have been credited to your JetPrivilege membership account ☐Do not send cash. ☐Add ₹10/- for non-Del cheques. ☐Superscribe your name and address on the reverse of the cheque/DD ☐All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi onl ☐BT can revise this offer any time at its discretion without any prior intimation. ☐Other T&Cs apply. Kindly visit JetPrivilege publishing partner section on www.jetairways.com .

Managing Up, Down and Across

Establishing a rapport with your boss is not enough. Peers and juniors also matter

When talent managers at Maruti Suzuki go to campuses to recruit freshers, they invariably see some students trying to monopolise the group discussion. These students tend to speak the most and the loudest. Year after year, the company does not hire this set of students. The interview calls and the jobs go to those who are seen trying to make their views heard while giving others a chance.

Inside Maruti, things are no different. Career paths are faster and more easily chalked out for those who appreciate the views of others. "If you appreciate the viewpoint of others, there will be a dialogue. Otherwise, there will be an argument," says S.Y. Siddiqui, Managing Executive Officer for administration, in charge of human resources, finance and information technology.

While this may sound like common sense, people often fail to get their interpersonal equations right, talent managers say. "People mostly go wrong by establishing a good relationship only with their bosses and ignoring peers and juniors. In a volatile business environment, all three are equally critical," says Siddiqui.

Acceptance at the workplace and career growth happens only when all the aspects are balanced. More so in an organisation like Maruti, where every process requires interfunctional interaction, says Siddiqui. Processes such as a 360-degree appraisal emphasise this.

"At the peer level, keep your personal issues out and look at your work objectively"

Sanjay Modi, MD, Monster India

Of course, your position in the hierarchy also matters. If you are at the entry level and have a role of individual contributor, focus on the directions given by your supervisor. Your boss is your mentor and can help you understand the organisation. At the middle level, when you have a team to handle and you also report to someone, do not make the mistake of not listening to juniors.

The most problematic area, however, is peer relations, when competition stifles the exchange of ideas, information and learning, say talent managers.

According to executive coach Ashu Khanna, who works with organisations and managers, the deepest differences come up at the level of peers because of competition. Her advice: "Coexist amidst healthy competition."

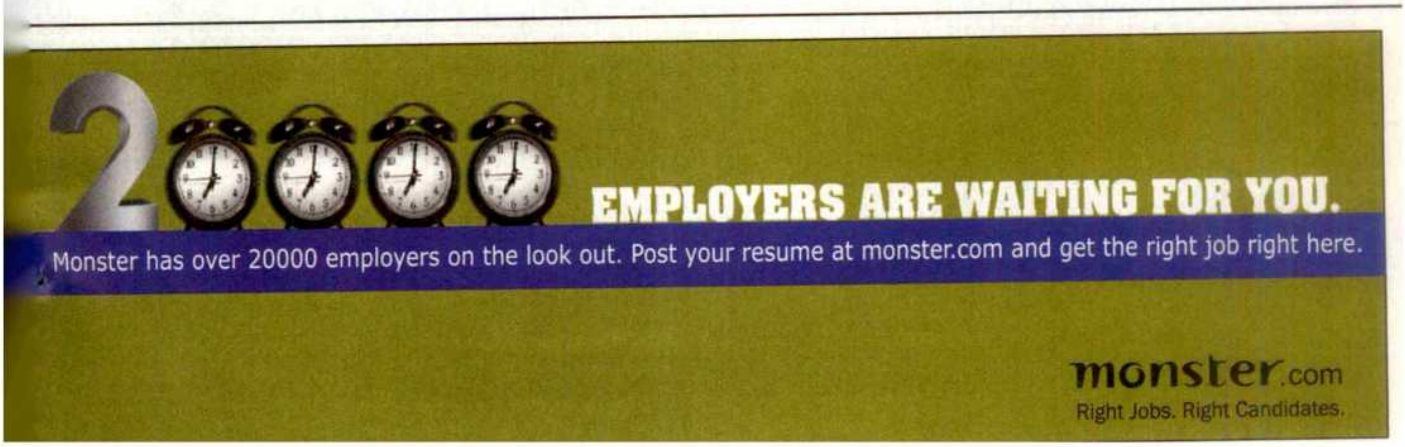
Sanjay Modi, Managing Director of Monster India, explains what he looks for in his managers when they work with peers. Not everyone in an organisation can reach the top 15 per cent. What makes a person stand out is his or her open consultation approach with peers, ability to collaborate positively, and emotional quotient. "At the peer level, keep your personal issues out and look at your work objectively," says Modi.

Finally, while interpersonal relationships are important, do not forget to develop yourself.

Khanna recalls a director struggling to keep his flock of managers and juniors together. Reason: He was not the best of communicators, although it was not that he did not want to communicate. As a result, he was not delegating. The team was disgruntled because its members were not developing and growing.

"If the director had worked on developing his skills, he would have managed his people at an efficient level," says Khanna. ◆

SAUMYA BHATTACHARYA



Senior Management Jobs brought to you by monster.com

TATA Projects Ltd
Deputy Business Head – Power Generation
Location: Hyderabad
Job ID: 7849025
Description: Expertise in Business Development and Project Management of Power businesses having experience of over 25 years out of which 10 years exp in a senior managerial position including top & bottom line responsibilities.

Nous Infosystems
SENIOR PROJECT MANAGER
Location: Coimbatore
Job ID: 8865623
Description: Person must have substanti Project Management experience with large scale operational or project managemer environments - preferably in Applicatic development.

Gati Ltd
Project Head
Location: Gangtok
Job ID: 8958954
Description: Applicant should be able to provide leadership to the civil, hydro, geology, survey, infrastructure, liasoning with govt.authorities and leading a team of QA engineers.

Unity Infraprojects Limited
AGM/DGM - Tendering / Estimation - Roac
Location: Mumbai
Job ID: 8164152
Description: Candidate should have good e in Services Selling and should have goc knowledge of telecom & Solutions for t Enterprise business.

Electronic Arts Games (India) Pvt Ltd
Technical Director I
Location: Hyderabad
Job ID: 8951877
Description: Responsible for development process and technology across software development team; Provide strategic planning application architecture and technical direction etc.

Lennox
Controls -Embedded & test syter development Leader
Location: Chennai
Job ID: 8413166
Description: Responsible for proje deliverables on time and with high qual Responsible for effective and efficient testi of Lennox Controls within allocated time a budget constraints.

JSW Steel Ltd
DGM/AGM
Location: Kurnool
Job ID: 9043573
Description: Responsible for all Finance and accounting activities for Nandyal Project; handling all direct & indirect taxation matters including TDS rates, filing of e-TDS/e-TCS returns etc.

Yahoo Software Development India L Ltd
Principal Service Engineer
Location: Bagalore
Job ID: 8281755
Description: Responsibilities: Function a technical generalist responsible for the ove health and performance of our search and serving platforms' Develop tools to autom the deployment etc

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" butto

IT Jobs brought to you by monster.com

Capita India Pvt Ltd
Team Leader/ Technical Leader
Location: Mumbai
Job ID: 9048361
Description: Role: Handle a team of Change analysts and ensure they follow standard change management procedures and processes.

Cybage Software Pvt. Ltd.
Database Developer
Location: Pune
Job ID: 8289029
Description: Applicant must have expertise as SQL Developer; Experience in Query Optimization, Client/Server Connectivity, and Database Consistency Checks using DBCC Utilities.

Cognizant Technology Solutions India Private Limited
Software Engineer/ Programmer
Location: Chennai
Job ID: 9046515
Description: Professionals must have relevant work experience and expertise in data warehousing.

Patni Computer Systems Ltd
System Analyst/ Tech Architect
Location: Mumbai, Pune
Job ID: 9046287
Description: The resource should have in depth knowledge of SAP MM module & domain functionalities; configuration exp.; Have worked on 1 implementation & 1 functional testing project.

Capgemini
Java/Flex Professionals
Location: Chennai
Job ID: 9046272
Description: Aspirant must have advanced working knowledge of Java frameworks - Hibernate, Struts, AJAX and SOA; Knowledge of FLEX 3.0 / 2.0; experience with Web logic/Web sphere, PL-SQL.

Persistent Systems Limited
Java/J2EE Lead
Location: Pune
Job ID: 9039878
Description: Person must have expertise in designing & implementing high performance scalable applications in Java based technologies; Knowledge of web technologies, Web standards & protocols.

IMSI India Pvt Ltd
ERP, CRM - Functional Consultant
Location: Pune
Job ID: 9046713
Description: Resource must have solid SAP implementation experience; Exposure to full SAP project lifecycle; Certification in a minimum of one SAP module.

HG Technologies Pvt Ltd
DFT Engineer
Location: Bangalore
Job ID: 8915610
Description: Candidate must have strong knowledge of DFT including JTAG, MBIST, scan, on-chip scan compression; fault models, ATPG, and fault simulation and AC scan for at speed testing.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

FINDING THE RIGHT CANDIDATE STRESSING YOU OUT?
JUST CALL
1800 419 6666

For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com.
We'll get you the right candidate, no matter what.

monster.com
Right Jobs. Right Candidates.

Sales and Marketing Jobs brought to you by monster.com

SIEMENS
Sales Exec/ Sales Representative
Location: Chennai, Hyderabad
Job ID: 9033313
Description: Functions: Generation of prospect and business acquisition. Maintaining excellent customer relations. Generating orders for promoting primary care products in Southern region.

Support.com
Product Development Manager
Location: Bangalore
Job ID: 8350957
Description: Drive the development detailed functional specifications of designated product releases and projects
2. Evolve the work environment to instil atmosphere that supports the growth of company

Newgen Software Technologies Limited
National Sales Manager
Location: Delhi, Mumbai
Job ID: 9044341
Description: Incumbent would also be responsible to increase business in his/ her territory and improve customer satisfaction. Manage sales team and maximize revenues through inventory mgmt.

Man Edge
Direct Marketing - Executive
Location: Noida
Job ID: 9042132
Description: Selling of mutual funds, insurance, general insurance, fixed depo debentures, property etc.

Monster.com
Account Manager
Location: Gurgoan
Job ID: 9047873
Description: Tasks: Selling Monster's enterprise solutions to Fortune & ET 500 Companies; identify & analyze the client's requirements, thoroughly mapping the accounts etc.

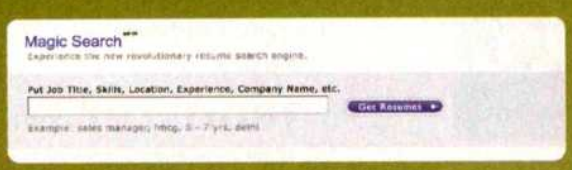
India Mart
Marketing Executive
Location: Mumbai
Job ID: 9033238
Description: This role is primarily respons for new client acquisition and busi development. Ensuring that the Sales Tar are met .Development of New Clients and markets.

Negolice India Limited (M2K group)
Business Development Manager
Location: Mumbai
Job ID: 9032866
Description: The successful candidate will be consummate and credible sales professional. The role is focused purely on new business and generating business from the existing clients.

Religare Technova IT Services Ltd
Sales Co-ordinator
Location: Chennai
Job ID: 9048283
Description Aspirant must ensure ti delivery of accurate reports to Sales operat & other concerned parties, Data Orientat Data Understanding/ Data Management.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" butt

magic FILTER TECHNOLOGY



World Class Technology

MagicSearch and Magic Filter technology find you the right candidate instantly.

monster.co
Right Jobs. Right Candida

Finance Jobs brought to you by monster.com

Ambition Management Solutions Pvt Ltd
Finance Executive
Location: Delhi
Job ID: 9075308
Description: Preparation of Delivery reports on monthly basis, Producing and raising invoices and receipts, Sending receipts acknowledgments when payments are received etc

Deloitte
Financial Advisory
Location: Hyderabad
Job ID: 9036579
Description: Applicant must have knowledge of accounting, corporate finance concepts, valuation software like Argus and Dyna; Proficiency in MS Office applications, especially MS Excel, MS Word.

Firstsource Solutions Limited
Sr Executive-Finance
Location: Mumbai
Job ID: 8910714
Description: Duties: Financial performance management and reporting; Analyze costs, and explain variances vis-à-vis budget and forecasts; Provide cost and impact analysis to management etc.

LSI
Finance Manager
Location: Bangalore
Job ID: 9034344
Description: Tasks: Manage LSI's payment processing operations; Assist Senior Manager in monthly close, reporting, compliance of LSI India; Provide financial support to operations mgmt team.

ACS, Inc.
Chartered Accountants
Location: Bangalore
Job ID: 8427029
Description: Person should be able to prepare financials for statutory audit, schedules, notes, related reconciliations, IGAAP and USGAAP reconciliation; have the knowledge of Accounting Standards.

Integreon
Manager – Finance and Accounts
Location: Noida
Job ID: 9012984
Description: Person must have exp. in Finance & Accounts Department, preferably in a BPO/KPO set-up; Good in financial reporting, cost analysis, budgeting, forecasting, accounting system.

PwC Service Delivery Center
Chartered Accountant (CPA)
Location: Kolkata
Job ID: 9042602
Description: Looking for experienced Chartered Accountants with US corporate tax experience.

Oracle Financial Services Software Ltd
Finance Executive
Location: Mumbai
Job ID: 9001052
Description: Commerce / Finance / BMS graduates with experience in any: Accounts / Finance related Back Office process / Equities / Derivatives / Capital Markets / Investment Banking.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com. We'll get you the right candidate, no matter what.

monster.com
Right Jobs. Right Candidates.

Standing tall: (L to R) Kaku Nakhate, Country Head, Bank of America; B.P. Singh, Deputy MD, IDBI Bank; Naresh Makhijani, Executive Director, KPMG; Rajat Monga, CFO, YES Bank; Jacques Michel, Country Head, BNP Paribas; Rana Kapoor, Founder, CEO & MD, YES Bank; Aroon Purie, Editor-in-Chief, India Today Group; Chaitanya Kalbag, Editor, Business Today; S. K. Bhatt, Vice President, J&K Bank; Dr C. Rangarajan, Chairman, Prime Minister's Economic Advisory Council; Chetan Shah, Vice Chairman, Marathon; Shikha Sharma, MD & CEO, Axis Bank; Mayur Shah, MD, Marathon; Anil Girotra, Executive Director, Andhra Bank; Renu Challu, MD, State Bank of Hyderabad; Sethuraman Sathappan, Assistant GM, Bank of Nova Scotia; Anindya Datta, CMO, YES Bank; Anil Nair, Joint MD & President, AGC Networks; and Sanjiv Bhasin, Country Head, DBS Bank

Bankers' Envy

The *Business Today* Best Banks Awards ceremony had banks celebrating rapid expansion of their business and an accelerating GDP

When the business you are in has expanded to $1.3 trillion from $250 billion in the last 10 years, the mood is likely to be celebratory. That's exactly how it was at the eighth edition of *Business Today*'s Best Banks Awards on December 8 in Mumbai. That the awards came at a time when the Indian economy was showing a near-nine per cent GDP growth was bubbly on ice. The awards are based on an annual survey, now in its sixteenth year, *Business Today* undertakes together with KPMG.

Aroon Purie, Editor-in-Chief of India Today Group, of which *Business Today* is part, kicked off the awards ceremony by explaining how Indian banking is in a position of strength because it has stuck to what the West likes to describe as boring banking — as opposed to what, in hindsight, now looks like reckless banking, he added.

The banking sector's asset size of 134 per cent of GDP, the doubling of return on assets, and the spread of bank branches and ATMs all indicate a transformed model of banking in India from 10 years ago, Ravi Trivedi, KPMG's Executive Director said introducing the survey methodology.

In his keynote address, chief guest

UMESH GOSWAMI/www.indiatodayimages.com

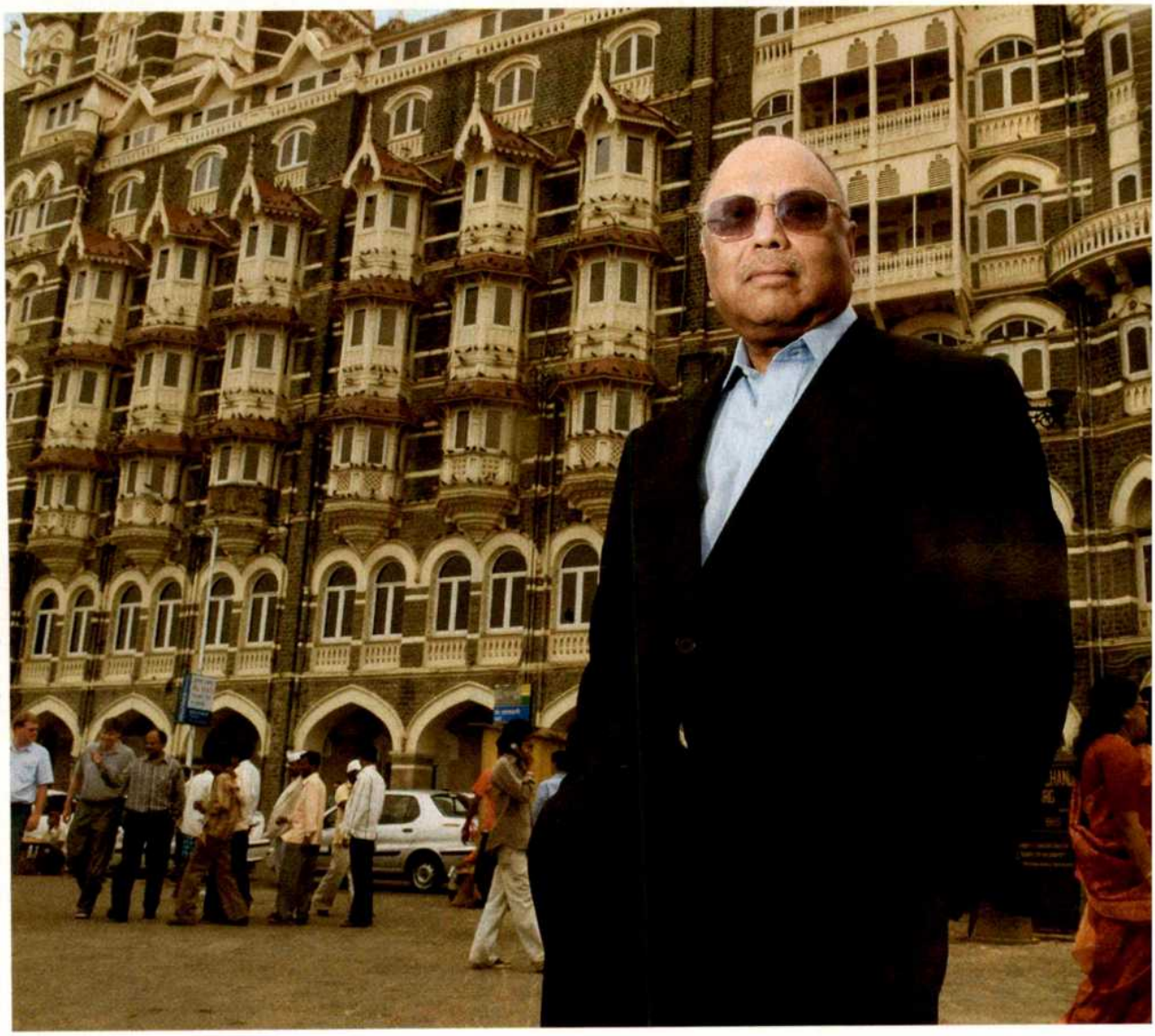
Dr C. Rangarajan, Chairman of the Prime Minister's Economic Advisory Council, applauded the progress made by Indian banking in the last four decades. Bank deposits as a proportion of GDP at market prices stood at 18 per cent in 1969-70, rising to 45 per cent in 1995 and 73 per cent today.

The global financial crisis should not result in a regulatory overkill, Dr Rangarajan cautioned. "Too little regulation will lead to financial instability but, too much of it can impede innovations. Policymakers will need to strike a balance between the need for financial innovations which is necessary for growth and for regulations which will ensure stability," he said.

Prior to giving away the awards, in a question and answer session moderated by Chaitanya Kalbag, Editor, *Business Today*, Dr Rangarajan insisted India's caution with capital convertibility had stood the country in good stead. India should enable business institutions to access cheaper funds from capital markets abroad, he added.

Award winners of the evening were Axis Bank, YES Bank, IDBI Bank, Andhra Bank, State Bank of Hyderabad, J&K Bank, DBS Bank, BNP Paribas, Bank of America, and Bank of Nova Scotia. Shikha Sharma, Managing Director and CEO of Axis Bank, was clear who deserved the accolades. "All credit goes to my entire team who have helped in achieving this glory," she said.

The presenting sponsor of the awards event was Marathon Group, whose Managing Director Mayur Shah made a presentation on his company and a 26-storeyed commercial project at Lower Parel in Mumbai. AGC Networks' Joint Managing Director and President Anil Nair drew attention to how technology could lower distribution costs and make financial inclusion viable. Other sponsors included knowledge partner KPMG, media partner Bloomberg UTV and beverage partner Whyte & Mackay. ◆



UMESH GOSWAMI/www.indiatodayimages.com

C.K. Prahalad (1941 - 2010)

Paul and Ruth McCracken Distinguished University Professor, Ross School of Business, University of Michigan

Thought leaders who consistently think ahead of their time are a rare breed. So it was with deep sorrow that the world of business mourned the passing away of Professor C.K. Prahalad in April 2010. His breadth of expertise made him the foremost management thinker of his generation. From managing multinationals to core competence, from the bottom of the pyramid market to innovation, Prahalad's range was exceptional.

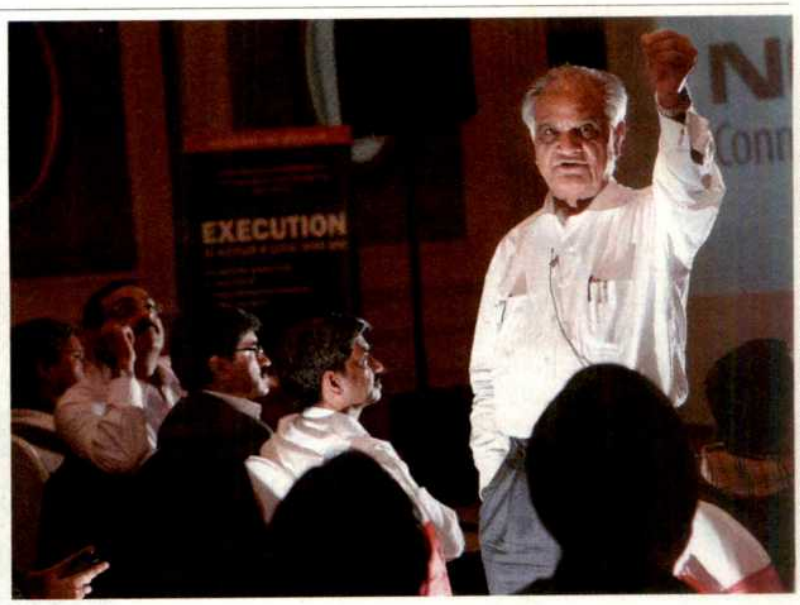
In 1960, at the age of 19, as a young physics graduate, Coimbatore Krishnarao Prahalad began working at the Union Carbide plant in Chennai. For many of his peers, getting a steady job was the pinnacle of achievement. Not for Prahalad who four years later went to the Indian Institute of Management, Ahmedabad, for his postgraduate degree. By the time he was 34, he had a doctorate from Harvard Business School, having completed his thesis in a record 30 months.

Prahalad always pushed the envelope on creativity and innovation. His prognosis for India's growth was that by 2022 there will be 30 Indian companies among the top 100 corporations in the world, with the country accounting for 10 per cent of world trade and boasting the largest pool of trained manpower. "It will be a developed nation by many, many standards," he had said. "But I prefer that we still think of ourselves as emerging. If you already think you have arrived, then there is no need to experiment any more; no need to innovate."

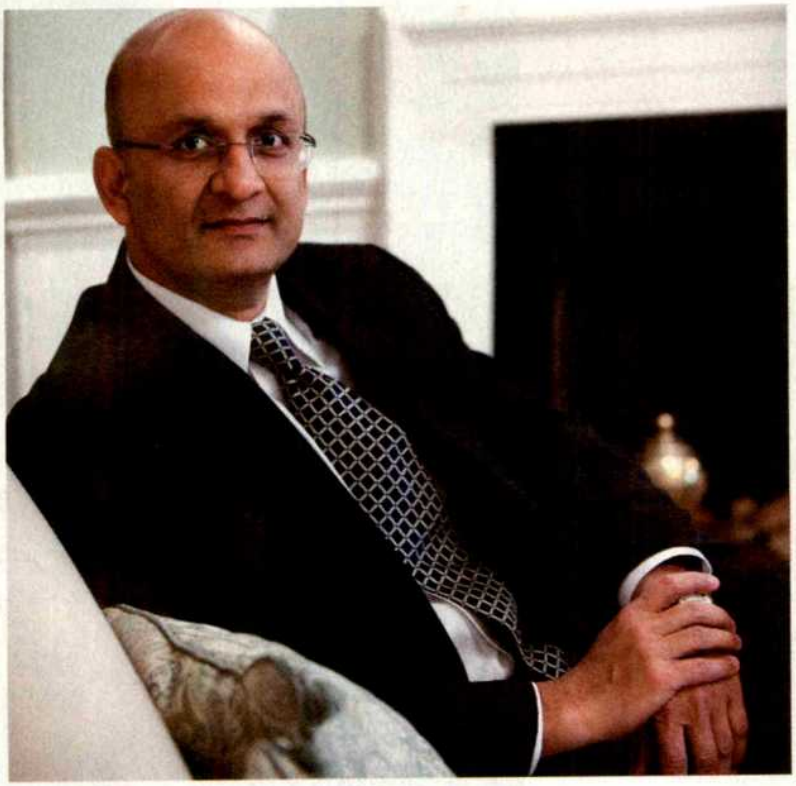
A fitting tribute, then, that the country of his birth is being increasingly seen as the innovation hub for the developing world.

Ram Charan
Management Guru

How many management consultants engaged by the top 20 global corporations have gathered their insights at roadside markets from Managua to Varanasi? Just one, really. Ram Charan, a consultant who CEOs ranging from General Electric's Jeff Immelt to Coca-Cola's Muhtar Kent turn to for business fixes. Most of his learnings, the Hapur, Uttar Pradesh-born Charan says, came at his family's Bata footwear shop he helped run with 11 siblings and cousins.



SHEKHAR GHOSH/www.indiatodayimages.com



Nitin Nohria
Dean, Harvard Business School

"Generosity has been the most important life lesson for me. If you are generous, life gives you back," Nitin Nohria had said when taking over as the 10th dean of Harvard Business School in the summer of 2010. And gives back in abundance, it seems.

The first foreign-born dean of HBS is an expert on leadership and sustainable performance. Nohria received his BTech in chemical engineering in 1984 from the Indian Institute of Technology, Bombay. "It prepared me for what I am today," he said of his days at IIT.

At Harvard, he is focused on making his term a period of innovation and he sees HBS taking some lessons from enterprises in India.

Sunil Kumar
Dean, University of Chicago Booth School of Business

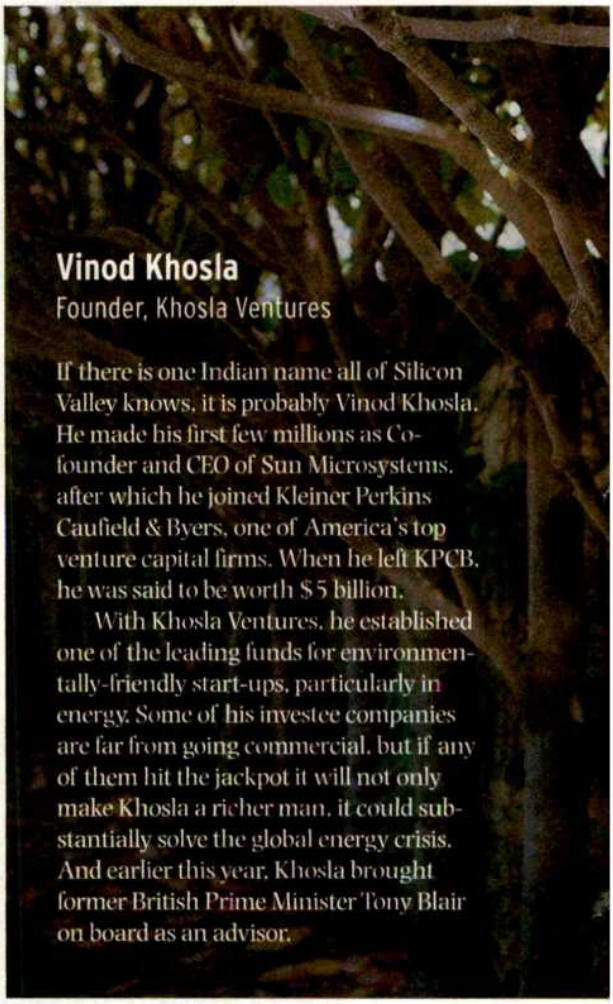
Sunil Kumar was one of the stars in education as an expert in operations research at the Stanford Graduate School of Business. But in July, his orbit changed trajectory when he was named the dean of the second-oldest business school in the United States: the University of Chicago Booth School of Business. For Kumar, who will take up his new job from January 1, it has been a long road since graduating in engineering from Mangalore University and the Indian Institute of Science, Bangalore.

Indra Nooyi

Chairman and CEO, PepsiCo

Indra Krishnamurthy is a name which is taken very proudly on the Joka campus of the Indian Institute of Management Calcutta. After all, her rise — she took on the Nooyi surname after marriage — to the top seat at PepsiCo is one of the most uplifting stories for any Indian émigré to the United States. The past year has been a busy one for Nooyi, as she merged two of PepsiCo's largest bottlers in North America with it and set up a new company, the Pepsi Beverages Company, and also unveiled a new logo. Nooyi's emphasis on PepsiCo's foods business, with the focus on healthier snacks, is playing out well in India. On the personal front, the year ended on a cheery note for the Chennai girl with news of her sister Chandrika Tandon being tipped to win a Grammy.

SHEKHAR GHOSH/www.indiatodayimages.com

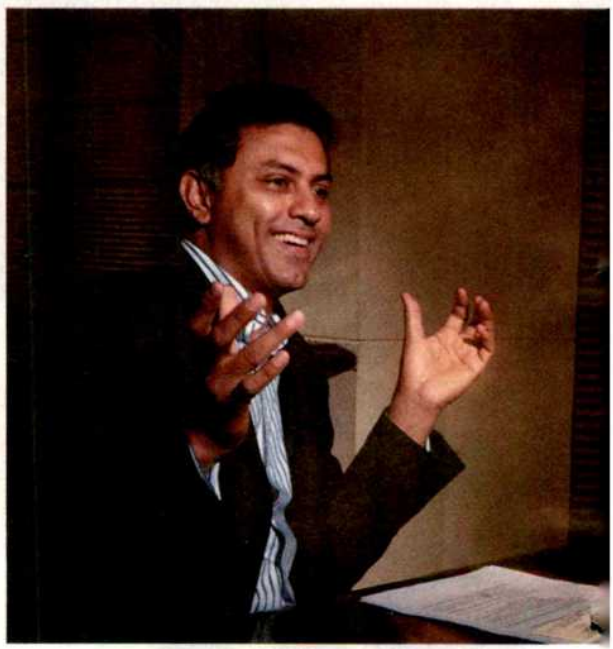


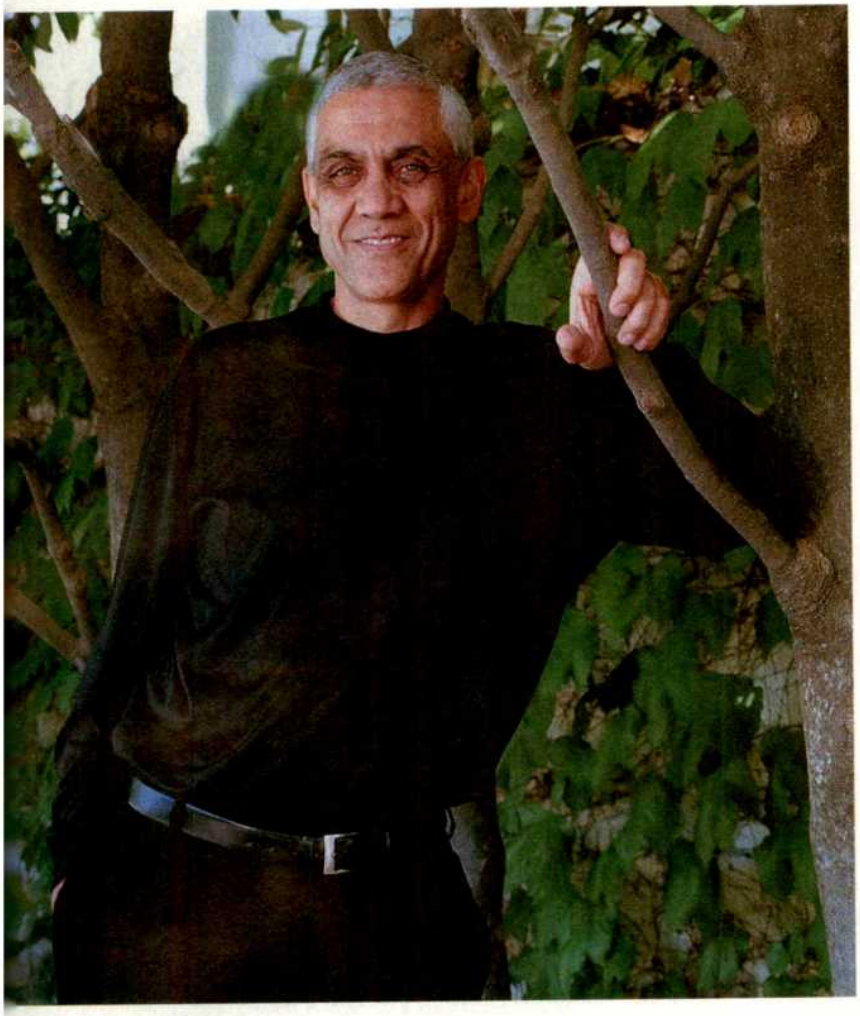
Vinod Khosla

Founder, Khosla Ventures

If there is one Indian name all of Silicon Valley knows, it is probably Vinod Khosla. He made his first few millions as Co-founder and CEO of Sun Microsystems, after which he joined Kleiner Perkins Caufield & Byers, one of America's top venture capital firms. When he left KPCB, he was said to be worth $5 billion.

With Khosla Ventures, he established one of the leading funds for environmentally-friendly start-ups, particularly in energy. Some of his investee companies are far from going commercial, but if any of them hit the jackpot it will not only make Khosla a richer man, it could substantially solve the global energy crisis. And earlier this year, Khosla brought former British Prime Minister Tony Blair on board as an advisor.





Vikram Pandit

CEO, Citigroup

"Torrid" would be a very mild term to describe Vikram Pandit's first two years in the hot seat of one of America's most storied financial institutions, Citigroup. But 2010 has been kinder to Citigroup and has allowed Pandit to come into his own, a far cry from the time he was described as the "Most Powerless Powerful Man on Wall Street" by *New York* magazine. Recently, when the US government sold off the last tranche of its holding in Citigroup, the financial conglomerate announced it had made US taxpayers a slight profit. Guess why Pandit is heard these days talking up Citigroup's massive global opportunities, not least in the country of his birth.

Nikesh Arora

President, Global Sales Operations and Business Development, Google

When Nikesh Arora gave his first interview to *Business Today* in 2009, he could not have imagined that he would become a media superstar in India. Every visit the fourth-most powerful man at Google makes to India these days is tracked by the media. But more importantly, Arora's constant globe-hopping is helping the Internet behemoth he works for become even larger. In India, Google declared revenues of ₹779 crore between January 2009 and March 2010, with exceptional profit margins. No wonder he is smiling.

Lakshmi Narayan Mittal

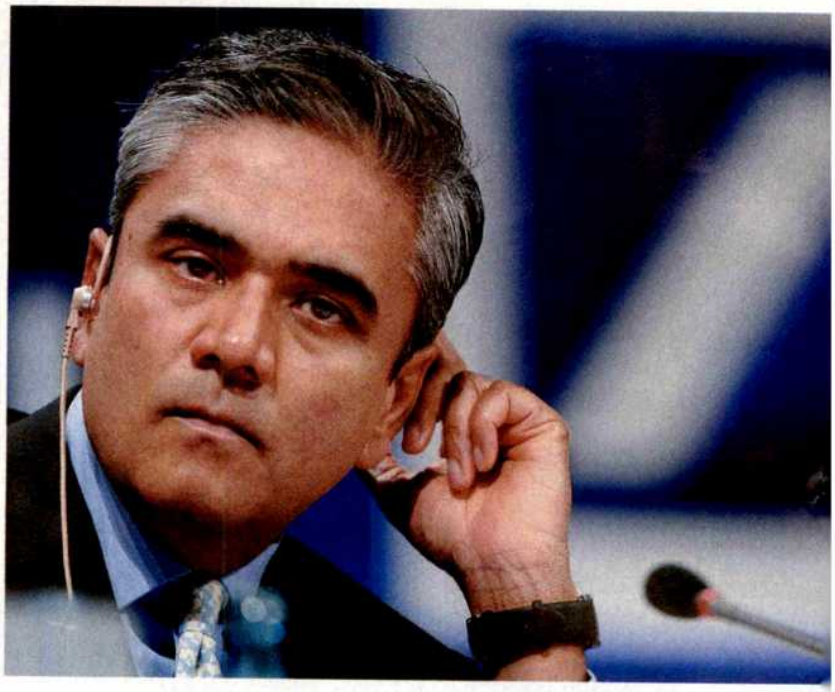
Chairman and CEO, ArcelorMittal

Thirty-four years after he split from his family at the age of 26, L.N. Mittal is among the five richest people in the world. But 2010 was a relatively quiet year for the man. He enhanced his stake to a majority in English football club Queens Park Rangers, but his Indian ventures have not fared well. Several projects have been held up for lack of environmental clearances and red-tape. The way out may be a buyout of brother Pramod Mittal-run Ispat Industries, as rumoured. That would be some homecoming.

Padmasree Warrior

Chief Technology Officer,
Cisco Systems

Undoubtedly the most famous female alum of the Indian Institute of Technology, Delhi, she is currently guiding Cisco Systems through one of the most interesting phases in its history. As more and more devices connect to the Internet — Warrior estimates such devices to number one trillion by 2013 — her role is to oversee the creation of equipment and technology at Cisco that will support this. And as more Indians will go online for the first time, it is likely that there will be a bit of Warrior in their lives.



Anshu Jain

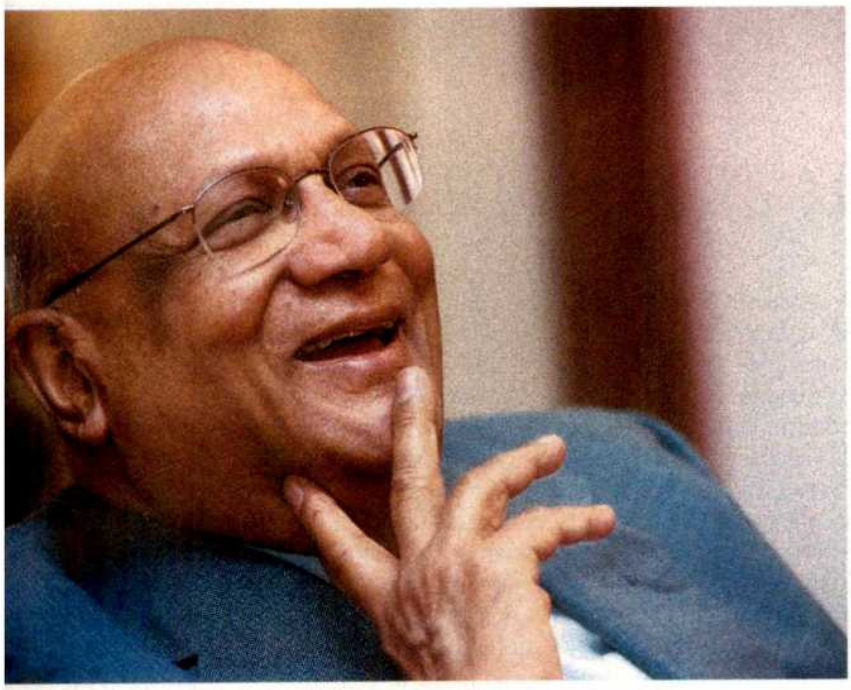
Head, Corporate & Investment Banking, Deutsche Bank

Jaipur-born Anshu Jain's candidature for the top job at Deutsche Bank received a further leg-up after he was appointed head of its investment banking division in July. Jain has been a front-runner for the CEO's position for some time now. But the fact that he does not speak German is said to be a handicap. Some of Germany's biggest companies are led by non-German heads, but many in the bank believe it is simply inconceivable for Deutsche Bank to do the same. Ducking the succession issue in 2009, the bank board awarded CEO Josef Ackermann a three-year extension — and perhaps Jain a chance to learn German.

Sanjay Jha

CEO, Motorola Mobile Devices

If you use a smartphone with a Qualcomm chipset inside, it is likely that Sanjay Jha's fingerprints are all over it. But when he left Qualcomm to join Motorola in late 2008, people wondered what he was up to. Early this year they got their answer as Motorola launched a slew of devices running Google's Android operating system that has helped the company return to significance. Jha, however, still has quite a task cut out for him, as the Motorola Mobile Devices division spins off from the mother company in early 2011.



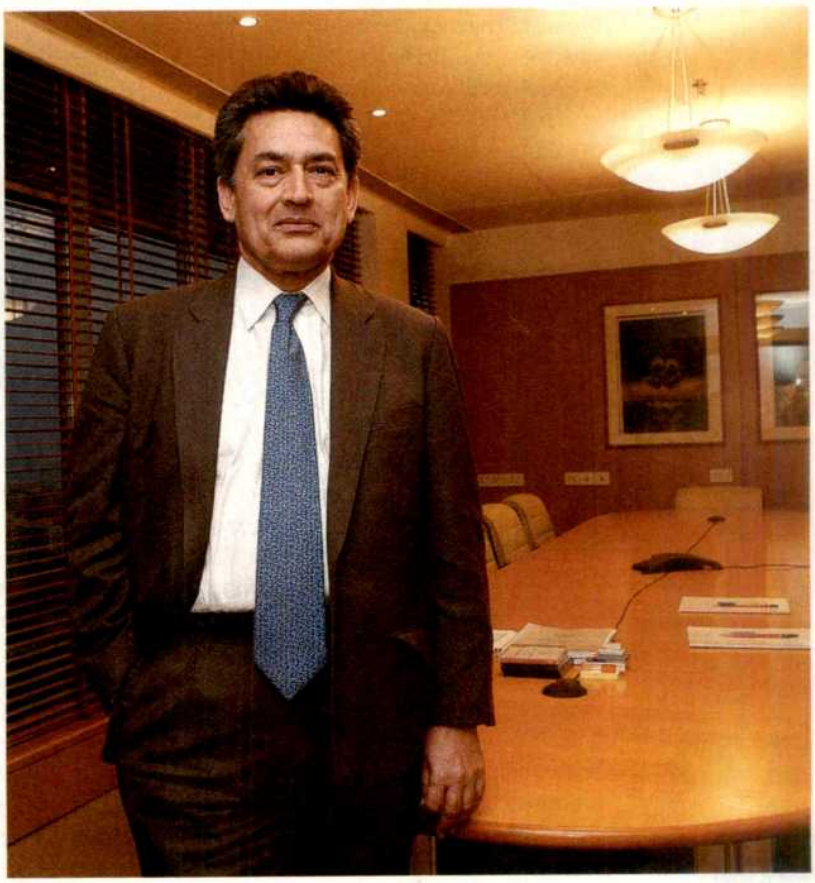
Swraj Paul
British Businessman and Politician

In late 2009 and early 2010 British politics was rocked by the parliamentary expenses scam. Members of the British parliament were accused of having made expense claims on false grounds. Swraj Paul, the founder of auto component maker Caparo Group, a longtime Labour Party supporter and a member of the House of Lords since 1996, was one of those sullied. Paul was accused of falsely claiming a seemingly inconsequential £41,982 (₹3 lakh), bizarre for a founder of a group worth over €1 billion. Along with two other peers of South Asian extraction, Paul was suspended from the House for four months.

Rajat Gupta
Management Consultant

To be fair to Rajat Gupta, the former managing director of McKinsey & Company worldwide, investigations by US prosecutors that he provided insider information to Raj Rajaratnam of the discredited Galleon Group hedge fund have so far proved inconclusive. But, Gupta's spotless reputation was muddied, as the American media railed against 'Wall Street Fat Cats'.

He decided not to stand for reelection to the Goldman Sachs board of directors. But Gupta has been busy in other ways. In July he took over as the Chairman of the International Chamber of Commerce and in November he was roped in to advise a grouping of large corporations fighting the spread of HIV/AIDS. But until US prosecutors drop his name from the probe, Gupta will find it hard to clear the Galleon stain.



UMESH GOSWAMI/www.indiatodayimages.com

BY KUSHAN MITRA, RAJIV BHUVA, SAUMYA BHATTACHARYA and PUJA MEHRA

Chaitanya Kalbag

THE HAZE BEFORE DAWN

Do you know what a "dominant undertaking" is? Suresh Krishna does. The Chairman and Managing Director of Sundram Fasteners lived every day with the provisions of the Monopolies and Restrictive Trade Practices, or MRTP, Act. Every month in the '70s and '80s, Krishna would travel to Delhi to pace the corridors at Udyog Bhawan. "I had to deal with the Directorate General of Technical Development, make sure I was not in violation of MRTP strictures, and obtain between 70 and 114 licences, including a capital-goods licence and a raw-material licence, to keep our factories going," Krishna said last week in Chennai. His salary was mandated by the government to not exceed ₹180,000 annually. The company he led was the first in India to win ISO 9000 certification.

In 1978-79, when the TVS Group sought permission to manufacture 60,000 mopeds a year, the babus were horrified. Who would buy so many, they said. TVS would have to guarantee exports of 40 per cent of its output if it was to be given a licence. Today, India's two-wheeler market is close to 10 million a year. TVS sold 139,541 two-wheelers in November alone.

How much have things changed since the new Industrial Policy of 1991 dismembered the Licence Raj? Krishna says he has not been to Delhi to pay court in 15 years.

J.R.D. Tata said in a speech titled "India 2030 A.D." at Bombay University in April 1981, a whole decade before Prometheus was unchained, that it would be "within our power and capacity, with better management and a lower capital-output ratio, to achieve an average growth rate of 6 per cent during the next fifty years". If India continued at its bullock cart pace of 3.5 per cent GNP growth, he said, per capita income would only double to ₹3,600 by 2030. Had J.R.D. been alive — he died two years after Manmohan Singh unleashed reform — his heart would have leapt at today's per capita income of ₹44,345.

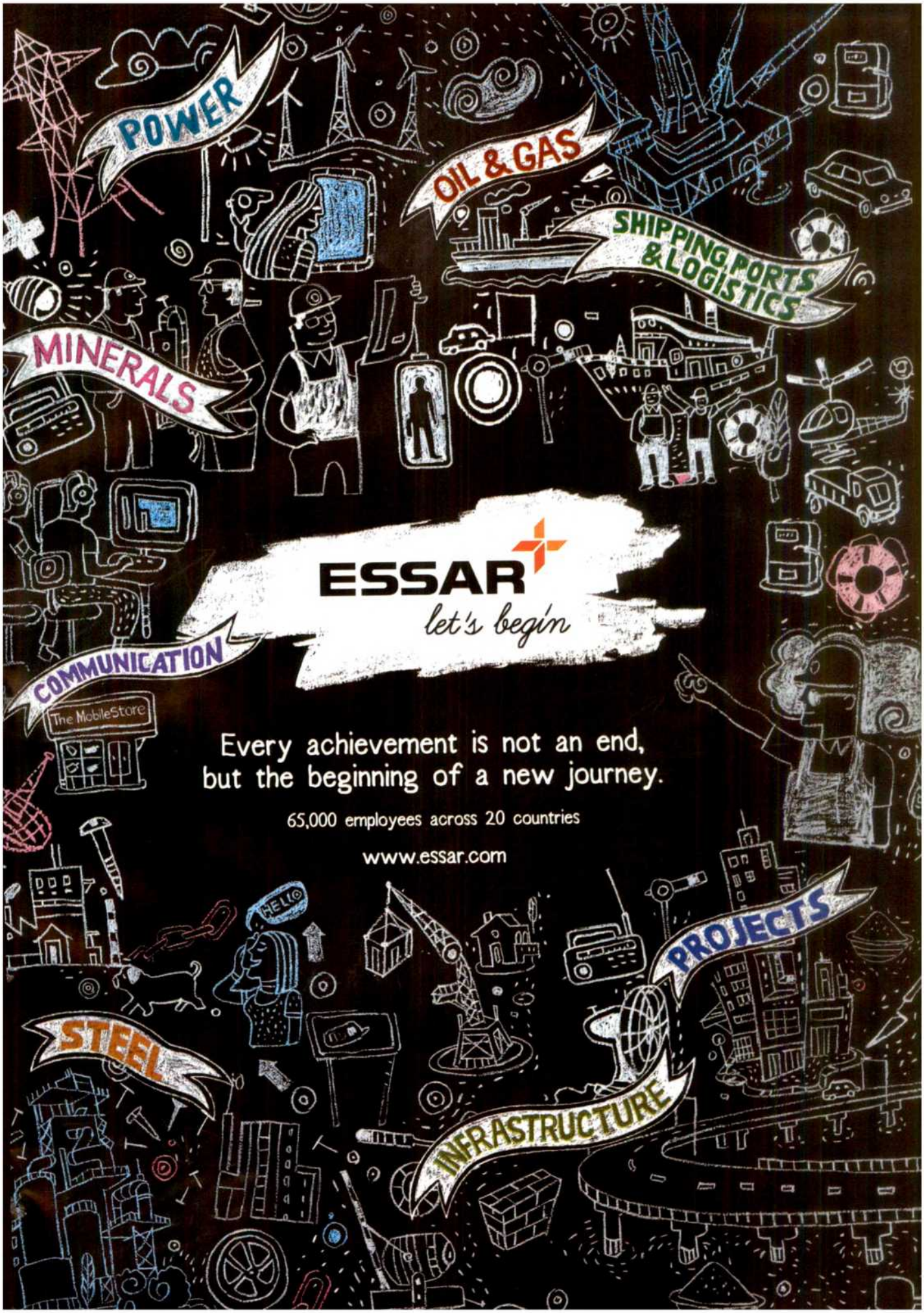
If India continued at its bullock cart pace of 3.5 per cent GNP growth, per capita income would only double to ₹3,600 by 2030. Had J.R.D. been alive... his heart would have leapt at today's per capita income of ₹44,345.

But, were the 1991 balance of payments crisis and the reform Budget truly serendipitous? Palaniappan Chidambaram, then a Congress MP, told me in April 1993 that the change was not as miraculous as it seemed. After it was routed in the 1989 elections, Congress rewrote its manifesto to embrace free trade, the dismantling of controls, and privatisation. The foreign exchange crisis hit at the right time. (Chidambaram quit as Commerce Minister after disclosing that his wife had invested a paltry ₹1.5 lakh in a company connected with the Harshad Mehta scandal. To put that probity in perspective, and to underline how far we have come in shame and scandal, the 2G licence revenue loss is estimated at 11,733,333 times what Nalini Chidambaram was tainted by).

However the shackles broke. India has burst forth in a million colours and ringtones. For a long time, we were dozing in the "Ushhahkal", Sanskrit for the time of Usha, the haze before the first rays of the sun shine through.

Communications Minister Sukh Ram was a Sanskrit scholar and would have understood that word. (He went to prison in connection with an earlier telecom scandal, but that is another story.) He said 16 years ago that three million people were on waiting lists for telephones. India's teledensity was a paltry 0.96 per cent. Today, it is sixty times that, and there are 706 million telephone connections. A splendid 2030 awaits an honest and hard-working nation that is home to one-fifth of humanity. Repeat, honest.

Vol. 20, No. 1, for the fortnight December 27, 2010-January 9, 2011. Released on December 27, 2010.

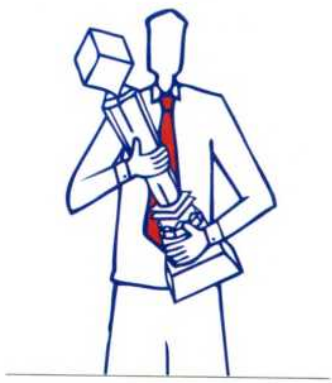

POWER
OIL & GAS
SHIPPING PORTS & LOGISTICS
MINERALS
ESSAR
let's begin
COMMUNICATION
The MobileStore
Every achievement is not an end,
but the beginning of a new journey.
65,000 employees across 20 countries
www.essar.com
HELLO
PROJECTS
STEEL
INFRASTRUCTURE

WE HAVE BEEN ADJUDGED THE 'BEST RETAIL BROKING HOUSE' AND 'FASTEST GROWING EQUITY BROKING HOUSE (LARGE FIRMS)'.

Awarded by:

Bombay Stock Exchange Limited
BSE
The edge is efficiency

D&B
Decide with Confidence



INTELLIGENCE SAYS,

SUCCESS FINDS THOSE WHO PURSUE EXCELLENCE.

TRUST INTELLIGENCE.

JM FINANCIAL

INVESTMENT BANKING | SECURITIES | RESEARCH | FINANCING AND DISTRIBUTION | WEALTH MANAGEMENT | ASSET MANAGE

AWARDED TO **JM FINANCIAL SERVICES PVT. LTD.**

Call: (022) 6704 0404

Corp. Office: 3rd Floor, Apeejay House, 3 Dinshaw Vachha Road, Churchgate, Mumbai - 400020. **Regd. Office:** 141, Maker Chambers III, Nariman Point, Mum 400021. **NSE** - Capital Market INB231054835 | F&O Segment INF231054835 | Currency Derivatives Segment INE231054835. **BSE** - Cash Market INB011054831 | Segment INF011054831. **MCX-SX** - Currency Derivatives Segment INE261054835. **SEBI** - Portfolio Management Services INP000000621. **Depository Participant** - DP: IN-DP-NSDL-241-2004 (In302927) | CDSL DP: IN-DP-CDSL-236-2004 (12033300)

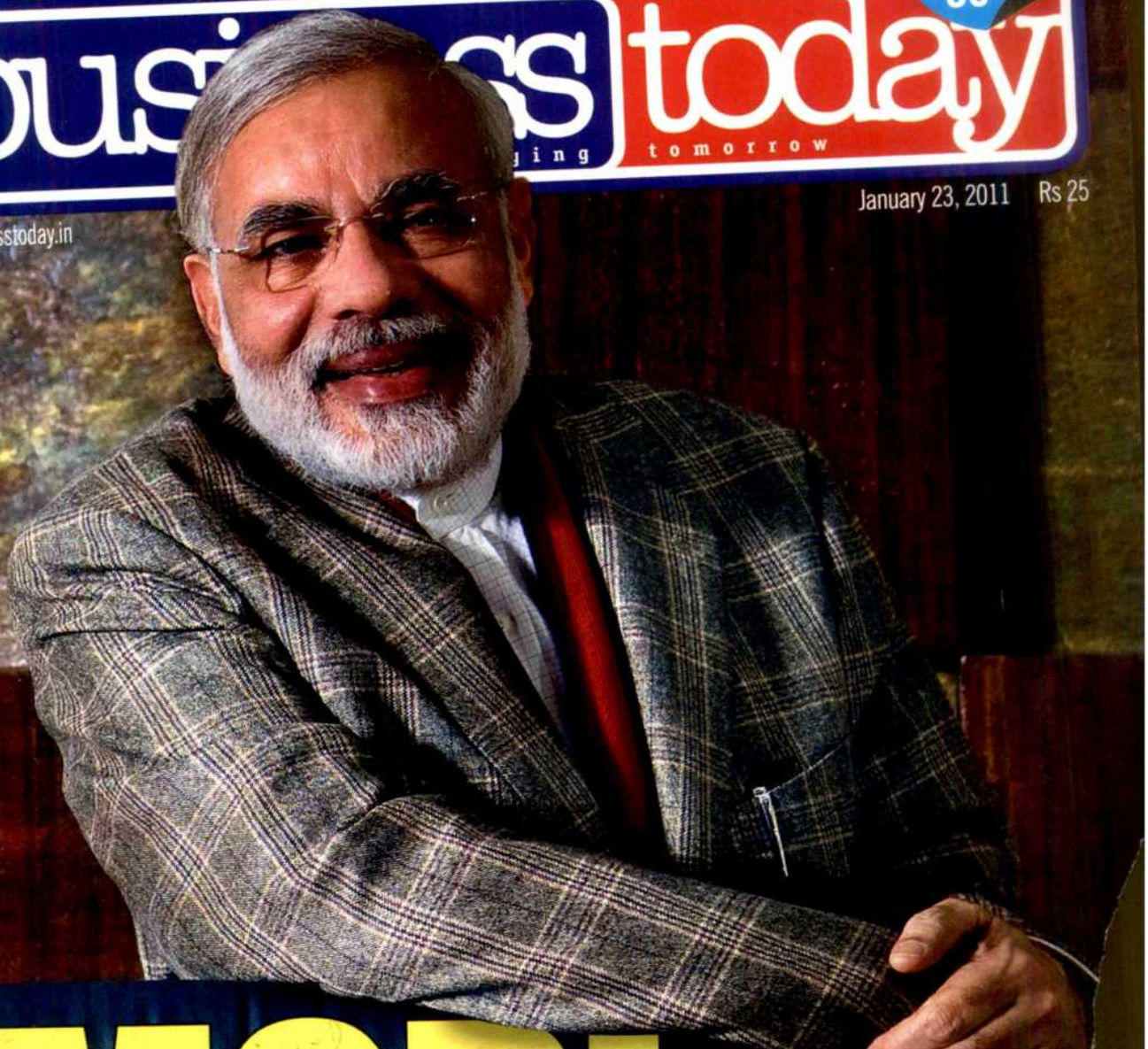
SPECIAL: Health Care 32 | TATA STEEL: Ore Hunt 66

Accelerating Corporate Transformations 86

business today
tomorrow

January 23, 2011 Rs 25

www.businesstoday.in



MODI UNLIMITED

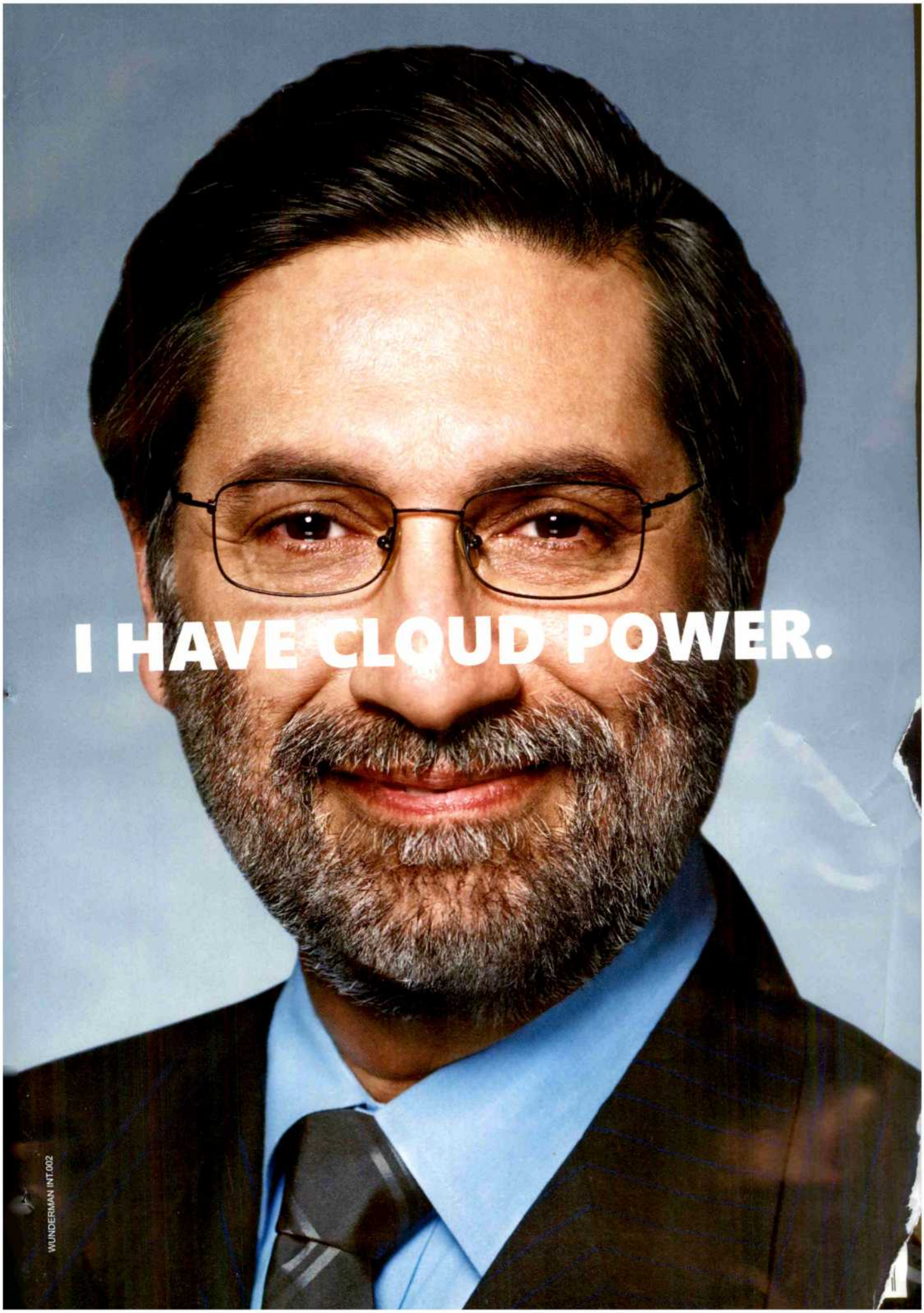
What makes Gujarat what it is

Cloud Power means that you have the most comprehensive solutions for the cloud available. With familiar tools that are simply more expansive, more accessible, more compatible, and more user-friendly to more users. Giving your business as much as, or everything you need to be what's next. That's Cloud Power.

Microsoft®

Cloud Power

THE MOST COMPREHENSIVE SOLUTIONS FOR THE CLOUD. ON EARTH.
Microsoft® Office 365 • Windows Azure™ • Windows Server® Hyper-V®
www.cloudpower.in


I HAVE CLOUD POWER.
WUNDERMAN INT.002

EPSON
EXCEED YOUR VISION

See Beyond the Usual

and enjoy high volume handling with the World's No.1 Bill Printers

IMAGING INNOVATION

See reliable Epson Bill Printers which have special, made-for-India features, perfect for the busiest retail stores, pharmacies, toll booths and restaurants.

Epson TM-U220

Industry standard POS printer; High speed printing 4.7LPS; Easy paper loading; High reliability of 18 million lines

MRP: ₹11,000/-

Epson TM-T81

High speed printing; Reliability at MCBF of 52 million lines; USB, parallel & ethernet; Supports high resolution graphics and barcodes

MRP: ₹11,700/-

Epson TM-T88V

High speed printing of 300mm per second; Reliability at MCBF of 70 million lines; Easy paper loading with auto cutter; Dual Interface - USB + parallel/serial/ethernet

MRP: ₹16,000/-

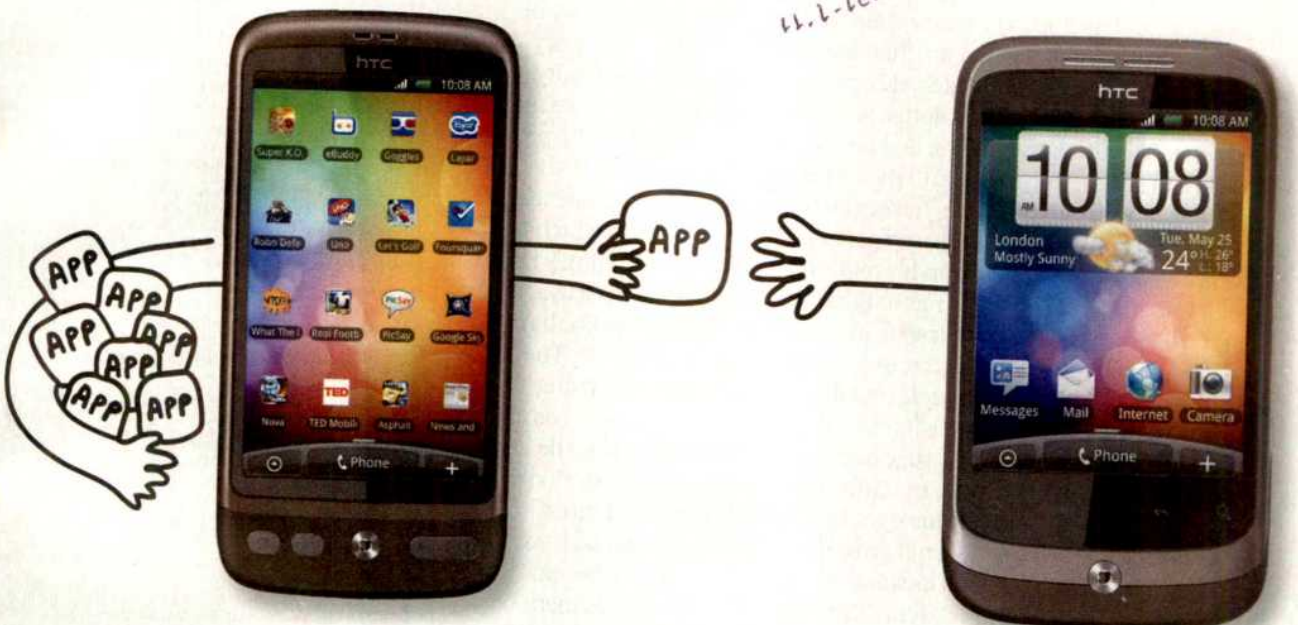
EPSON is the registered trademark of Seiko Epson Corporation, Japan

EPSON SERVICE

Contact: 099866 60251 (9AM - 6PM) (Mon - Fri) or email: pos@eid.epson.co.in
Epson Helpline: For product info, service or to order a cartridge - 1800 425 0011
For service - 1860 3000 1600 (9AM - 6PM) (Mon - Sat) **www.epson.co.in**

SMS EPSON TO 58558

Here's an idea:
Share the fun



htc Desire

htc Wildfire

Phones that can share apps quickly and easily

we call it "HTC Sense"

htc
quietly brilliant

.com

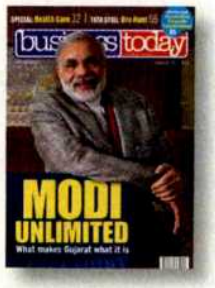
a/Bhubneshwar: 9007894641, 9903884482. Delhi/NCR: 9911095033, 9810044477, 9999104194. Lucknow/Kanpur: 9911095033, 9336960422. Jaipur: 9911095033, 95830. Chandigarh/Punjab: 9855422888, 9316001592. Karnataka: 9842507958, 9341258747. Chennai/kochi: 9842507958, 9381596566. Hyderabad/Vijaywada/Vizag: 11393, 9346303032, Bangalore: 9036964221, 9341258747, 9741313791. Ahemdabad/Surat/Baroda: 9879557482, 9825599440. Mumbai: 56880,9768264796,9833489476. Pune/Nagpur: 8605111186, 9552075075

ht © 2010 HTC. All rights reserved. HTC is the trademark or registered trademark of HTC Corporation. The availability of particular products and services may vary by region. Check with the HTC dealer nearest to you. l colour of the mobile maybe different from the visual shown. The features/Specifications & Applications are subject to change without notice".

From the Editor

Coasting down the six-lane highway from Ahmedabad to Gandhinagar, wheels barely touching the asphalt, it is tempting to forget that you are in the India of traffic chaos, noise and tumult. Gujarat's administrative capital reminded me more of Putrajaya, Malaysia's high-tech capital complex outside Kuala Lumpur, than of the headquarters of Modi Unlimited. The Gujarat of Mohandas Gandhi and Vallabhbhai Patel has just turned fifty, and some would say that Narendra Modi is merely riding on the crest of centuries of entrepreneurial verve. Whether you respect or revile the man, you have got to admit that Gujarat gets very little wrong, whether in industrial development, infrastructure, or agriculture. The 2002 riots are a stain that cannot be wished away or washed off, although Modi swears that development has touched every Gujarati. The *pols* in Old Ahmedabad continue to be a maze of inequity, even though the new(er) city is dotted with luxurious enclaves where many of the state's avid day-traders live and prosper. More and more of the people who lived in the *pols* have moved to the "other side", the left bank of the Sabarmati, and some old houses have even been restored as heritage sites.

The Modi model works, and even political rivals of the man who has always had an image larger than his mid-sized state have grudgingly had to adopt his mantra. Nitish Kumar in Bihar, Naveen Patnaik in Orissa, and even the benighted B.S. Yeddyurappa in Karnataka have mimicked him, and development and good governance are no longer catchwords. They actually work, and if you look at Gujarat's rising water table, its electrified villages, its ports, roads and canals, its huge and impressive gas grid, and the number of manufacturers beating a path to Modi's door, you have got to wonder how much higher India's overall gross domestic product would have been if all its states swallowed the same vitamins. Ahead of Modi's fifth Vibrant Gujarat investment summit, *Business Today* put feet on the ground and pulled together a 360-degree look at the State of Modi. Senior Editor Anand Adhikari, Special Correspondent Rajiv Bhuva, Chief Photographer Umesh Goswami and Senior Photographer Rachit Goswami brought back words and images that start on page 48. My interview with Modi went right down to the wire, but the encounter was one of the more interesting ones I have had with a politician. There was no talk about party politics, the national scene, or other politicians. For over half an hour, we spoke of nothing but Gujarat, development, process and governance. "This government, that government, this person, that person, this party, that party — why talk about it?" Modi said. "I believe we should make corruption our enemy. Everybody associated with corruption should be removed like we remove a fly from our milk." Modi likes using milk similes — read the interview on page 62.



Don't miss, too, our Health Care special report on new business models on page 32, authored by a team of our writers. In particular, do take in the dramatic photo feature on low-cost, high-tech brain surgery starting on page 42 for which Photo Editor Vivan Mehra and Associate Editor T.V. Mahalingam turned into flies on the walls of operating theatres at the King Edward Memorial Hospital in Mumbai. Just one more place where miracles are performed every day. Team *BT* wishes all of you an unforgettable 2011, full of wondrous moments and miracles all your own.

Chaitanya Kalbag

www.businesstoday.in/editor

business today

http://www.businesstoday.in

Editor-in-Chief: Aroon Purie

Chief Executive Officer: Ashish Bagga

Editor: Chaitanya Kalbag

Managing Editors: Brian Carvalho, Josey Puliyenthuruthel

Deputy Editor: Somnath Dasgupta

Senior Editors: Anand Adhikari, N. Madhavan, K. Sai Srinivas

Art Editor: Safia Zahid Siddiqui

Photo Editor: Vivan Mehra

Associate Editors: K.R. Balasubramanyam (Bangalore), Saumya Bhattacharya (Delhi), Shalini S. Dagar (Delhi), Rishi Joshi (Delhi), Suman Layak (Mumbai), T.V. Mahalingam (Mumbai), Puja Mehra (Delhi), Kushan Mitra (Delhi), Shamni Pande (Delhi), Mukul Rai (Delhi), Rahul Sachitanand (Bangalore)

Assistant Editors: E. Kumar Sharma (Hyderabad), Anusha Subramanian (Mumbai)

Special Correspondents: Rajiv Bhuva (Mumbai), Nitya Varadarajan (Chennai), Taslima Khan (Delhi)

Principal Correspondents: Anumeha Chaturvedi (Delhi), Manu Kaushik (Delhi), Kakoli Chatterjee (Delhi)

Copy Desk: Sanjay Kumar (Chief Copy Editor), Virat Markandeya (Chief Copy Editor), Roopali Joshi (Deputy Copy Editor), G.D. Padhy (Editorial Coordinator)

Photo Department: Umesh Goswami (Chief Photographer), Shekhar Kumar Ghosh (Deputy Chief Photographer), Deepak G. Pawar (Deputy Chief Photographer), Nishikant Gamre, Rachit Goswami, Money Sharma, Lalit Rana (Senior Photo Researcher)

Art Department: Kapil Kashyap (Art Director), Rajat Baran Chakravartty (Deputy Art Director), Anand Sinha (Assistant Art Director), Anita Jaisinghani (Chief Visualiser), N. Ravishankar Reddy (Senior Visualiser), Santosh Kushwaha (Senior Visualiser), Vikas Gupta (Senior Visualiser)

Production Department: Dinesh Sachdeva (Chief of Production), Narendra Singh, Rajesh Verma,

Rajkumar Wahi (Senior Supervisor), Mohammed Shahid (Senior DTP Designer)

IMPACT TEAM

Senior General Managers: Upendra Wellingkar (West & South), Neeraj Sharma (North), Sunil R. (Bangalore), Kaustav Chatterjee (East), V. Somasundaram (Chennai), Jitendra Lad (West)

Consumer Marketing Services: Poonam Sangha, Sr. General Manager

News-stand Sales: D.V.S. Rama Rao, Chief General Manager, Vinod Das, Senior General Manager (National), Deepak Bhatt, General Manager (North), V.A. Chotalia, Regional Manager (East), Rajesh Menon, General Manager (West), M. Krishna Kiran, General Manager (South), Rakesh Sharma, General Manager (Operations)

India Today Group

Vol. 20, No. 2, for the fortnight January 10-23, 2011. Released on January 10, 2011.

● Editorial Office (Delhi) 5th Floor, Videocon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-23684812-15; Fax: 011-23684819; E-mail: btoday@giasdl01.vsnl.net.in ● Advertising Office (Delhi): Ground Floor, Videocon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-43129111; Fax: 011-23593380/81; Trade Centre, 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400013; Tel.: 022-24983355; Fax: 022-24982266; Impact office: Trade Centre 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013; Tel.: 022-24983355; Fax: 022-24982266; Chennai 2nd Floor, 98-A, Dr Radhakrishnan Salai, Mylapore, Chennai-600004; Tel.: 044-28478526-41; Fax: 28472178; Bangalore 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel.: 080-22212448, 080-30374106; Fax: 080-22218335; Kolkata, 52, J.L. Road, 4th floor, Kolkata-700071; Tel.: 033-22825398, 033-22827726, 033-22821922; Fax: 033-22827254; Hyderabad 6-3-885/7/B, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel.: 040-23401657, 040-23400479; Ahmedabad 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel.: 079-6560393, 079-6560929; Fax: 079-6565293; 39/1045; Kochi Karakkatt Road, Kochi-682 016; Tel.: 0484-2377057, 0484-2377058; Fax: 0484-370962 ● Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301; Tel.: 95120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday; 10 am-6 pm) from Rest of India; Toll free no.1800 1800 100 (from BSNL/ MTNL Lines); Fax: 0120-4078080; E-mail: wecare@intoday.com ● Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301; Tel.: 0120-4019500; Fax: 0120-4019664

© 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited.

Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana) and at Plot No. 5-5/A, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai-400 708 (Maharashtra). Published at K-9, Connaught Circus, New Delhi-110 001.

● Business Today does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/ New Delhi only

Syndications Today

For **reprint rights and syndication** enquiries, contact syndications@intoday.com or call +91-120-4078000

www.syndicationstoday.in

SIX YEARS OF INSTITUTIONAL EXCELLENCE

Ranked as India's BEST, Strongest and Fastest Growing Mid-Sized Bank by the Business Today - KPMG Best Banks Survey 2010

ce inception in 2004, YES BANK has created a new radigm in Indian Banking, through continuous Innovation f Excellence. On our 6th Anniversary, as a full-service nmercial and retail Bank, we re-dedicate ourselves vards delivering the Finest Banking Experience in India.

YES BANK

EXPERIENCE OUR EXPERTISE

170 Branches Pan India | 225+ ATMs | 2 National Operating Centres

porate and Registered Office: Nehru Centre, 9th Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai- 400018. India. www.yesbank.in

Volume 20/Number 2

FOCUS

Quick takes on top news and trends

11 | **Not the Best Recipe**
The Jalan Committee recommendations could perpetuate the monopoly of the National Stock Exchange

14 | **Policy**

16 | **Tech Review**

22 | **Graphiti: Lessons in Wealth Creation**

27 | **Etcetera**

28 | **COLUMN:**
Arvind P. Datar, senior advocate in the Madras High Court, on GST's flaws

FEATURES

66 | **Wanted: Another Lease of Life**
Tata Group's raw materials edge could be blunted by the demand of its European empire unless it gets a hold on new reserves

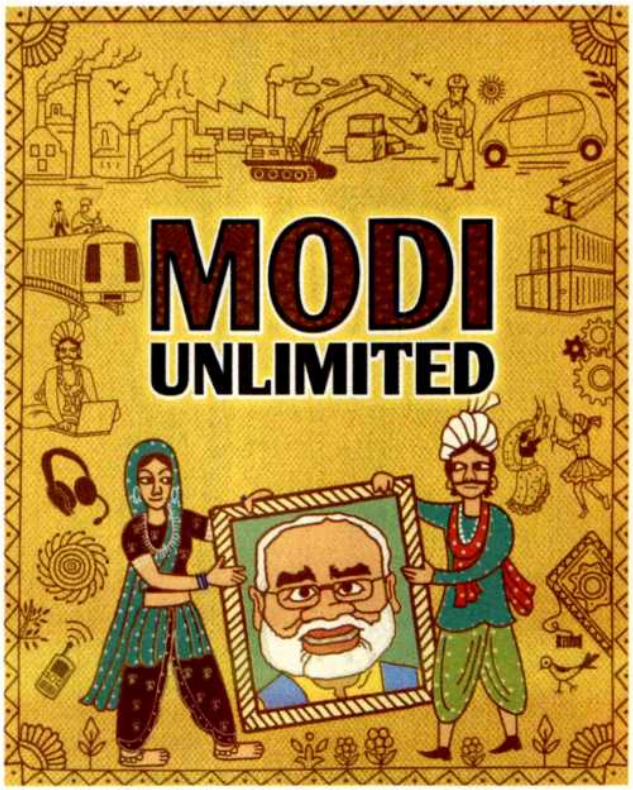
74 | **India's Electronics Renaissance**
A booming market has scores of electronics design and manufacturing firms setting up shop

80 | **Piped Water, Unlimited**
A desalination plant coupled with a new business model boosts Chennai's water supply

84 | **Cognizant, Frankly**
Malcolm Frank bootstrapped Cognizant — from crafting a 10,000-foot strategy to executing it daily

86 | ***HBR* Exclusive: Accelerating Corporate Transformations**

102 | ***BT* Event: A Tale of Two Cities**



COVER BY KAPIL; PHOTOGRAPH BY RACHIT GOSWAMI

COVER STORY

48 | **Supersize Gujarat**
Nine years under Narendra Modi, Gujarat powers ahead as a business destination

54 | **Grassroots Bustle**
SMEs want a more caring government even as big businesses get pampered

58 | **ceo@gujarat.in**
An insight into Narendra Modi's hard-nosed management style — one which Corporate India swears by

62 | **Interview: The Method Man**
Gujarat's Chief Minister talks about policy and process making a heady development cocktail

SPECIAL

32 | **Health Critical**
A clutch of entrepreneurs is running immensely viable ventures that deliver specialised therapies upcountry in an affordable manner

38 | **Health Insurance; Prevention; Interview** with K. Srinath Reddy

42 | **Photofeature: Brain Pilots**
How neurosurgeons at a Mumbai government hospital deliver high-tech care comparable with the best in the private sector but at a fraction of the cost

MONEY

96 | **Infra Funds: Growth Ahead**
Infrastructure funds are likely to do well despite their poor performance since 2008

98 | **Honey, I Shrank the House**
Affordable housing is the catchword now, but does it make sense to buy a studio or one-bedroom apartment?

LBNL

108 | **The Real Story**
A tour of the sets of a reality TV show proves to be more fascinating than the eventual telecast

P-TECH
111 | **Piggy Killer!**
There is good money in making enjoyable games

115 | **BOOKEND**
Decisions! Decisions!

EXECUTIVE HEALTH
116 | **Posture for a Healthy Back**
That slouch is not just painful. You could be inviting early spinal degeneration

JOBS
117 | **Salary Hikes to Get Better**
Jobs are back and so are hefty increments

122 | **PEOPLEBUSINESS**
Starring Angela Ahrendts, Global CEO, Burberry; Uday Sodhi, CEO, HeadHonchos.com; Jon S. von Tetzchner, Co-founder, Opera Software; Sanjeev Aga, MD, Idea Cellular; Pavan Vaish, CEO, IBM Daksh; and Akio Toyoda, President, Toyota Motor Corporation

LEADERSPEAK
126 | **Rohinton 'Ronnie' Screwvala**
Founding Chairman and CEO, UTV Group

How do you get more
out of the same resources?
© 2011 Accenture. All rights reserved.
Accenture helps leading companies increase performance without increasing costs. By optimising supply chains to enhance productivity. By using predictive analytics that drive growth through insights. By applying outsourcing not only as a way to save money but also as a way to make it. Talk to us and find out all the ways our capabilities can help you make the most of yours.
• Consulting • Technology • Outsourcing
accenture
High performance. Delivered.

Re: Letters To The Editor

For Keeps

India Central: How We Got Here, And What Lies Ahead (*BT*, 19th anniversary issue, January 9) is a magisterial account of our economic history and the progress we have made since the early '90s. The essays by thought and business leaders stand out for their incisive analysis of the various epochal events that have marked India's economic journey over the past two decades.

B. Rajasekaran, *Bangalore*

Thematically Sound

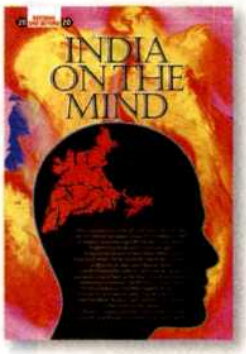
The anniversary issue covers an array of topics and themes that helps you to better understand the various facets of our economy. Also, it tells us how the lessons from the past could be applied to solve our problems and to build an India of our dreams. Thanks for bringing out a memorable issue that packs a brilliant exegesis of our economic prowess and potential.

Neeraj Thakur, *Pune*

Medium and Message

Pester Power (*BT* cover, December 12) focused on how advertising and marketing influence today's kids. You could have widened the ambit of your story to include tips to help parents and children make informed decisions out of media messages that bombard our lives today. Parents could also use information that will help them in guarding their children against insidious advertising.

J.S. Broca, *Delhi*



"The anniversary issue covers an array of topics that helps to better understand the various facets of our economy"

It's the Economy, Stupid

Scrabbling Away from the Abyss (*BT*, December 26) builds up a strong case for economic development in today's political discourse.

Bidyut Chatterjee, *Faridabad*

Corrections & Clarifications

Nachiket Mor, Chairman of the IFMR Trust, has clarified that he does not see any regulator as being part of the problems faced by the formal private sector in reaching quality goods and services to low-income households, contrary to the impression that may have been conveyed by the edited version of his essay *Saving the Microbuyer*, published in the *BT* anniversary issue, dated January 9.

In PeopleBusiness (*BT*, January 9), Lakshmi Niwas Mittal's name went as Lakshmi Narayan Mittal. The error is regretted.

POLITICAL ECONOMY Bihar

Scrabbling Away From the Abyss

Nitish Kumar's victory in last month's Bihar election celebrates the triumph of economics over feudalism, but the climb out of poverty will be steep and hard. BY CHAITANYA MALWA

www.businesstoday.in@coverstory: *India Central: How We Got Here, And What Lies Ahead (BT,* January 9) holds out lessons for India's present and future economy.

www.businesstoday.in@coverstory: *BT 500: India's Best Banks* (*BT*, December 26) offers a ready reckoner of top public and private sector banks in India.

BT SCRAPBOOK

- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.businesstoday.in

HOW TO CONTACT BT

WRITE TO:
The Editor, Business Today, Videocon Tower, 5th Floor, E-1, Jhandewalan Extension, New Delhi–110055.
E-mail: letters.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) – 201 301
Phone: (95120) 2479900 from Delhi & Faridabad; (0120) 2479900 (Monday-Friday; 10 am-6 pm) from Rest of India;
Toll free no. 1800 1800 100 (from BSNL/ MTNL Lines);
Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

WESTIN®
HOTELS & RESORTS

introducing
modern luxury

Experience the new Westin hotels in India.

The Westin Gurgaon, New Delhi • The Westin Hyderabad Mindspace •
The Westin Mumbai Garden City • The Westin Pune Koregaon Park •
The Westin Sohna Resort & Spa

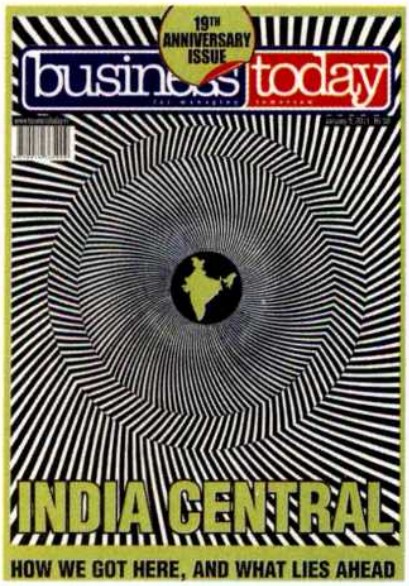
visit westin.com/india

Westin Heavenly Bed®

spg. Starwood Preferred Guest

MERIDIEN aloft THE LUXURY COLLECTION WESTIN FOUR POINTS
Sheraton ST REGIS W HOTELS

Now available online



Our 19th anniversary issue brings together viewpoints from thought leaders and entrepreneurs on the heady change, progress and growth over the past two decades of economic reform in India. Read about the enabling conditions, including policies and technologies, that we need to put in place for the next big leap.

businesstoday.in/coverstory

Blogs

N. Madhavan on ISRO's recent setback and why the agency needs to restructure its GSLV programme.

» businesstoday.in/madhavan

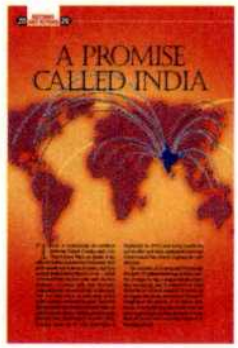
Shalini S. Dagar on the dragon and the elephant debate in the wake of Chinese premier Wen Jiabao's India visit.

» businesstoday.in/shalini

Kushan Mitra on how mobile phones serve as a minor pressure release valve for a sexually repressed society.

» businesstoday.in/kushan

A Magnet Called India



The developed world's economic dominance is giving way to the bulging economic muscle of countries such as India and China. As India's economic engine is expected to purr vibrantly in the years ahead, growing numbers of Indians are returning to their country of origin wanting to be part of the action. Turn the pages of our section on the Prodigals for an exciting story on why not just successful global Indian managers but also foreign CEOs are eager for stints in India.

businesstoday.in/prodigals

Letter from the Editor »
businesstoday.in/editor

Case Study

Read cases of corporate successes and failures analysed in detail and lessons drawn. Plus, commentaries from experts. Cases include **The Oberoi Group, Ashok Leyland, MRTS Chennai, Ponni Sugars** and **Maruti Suzuki.**

businesstoday.in/casestudy

Annual listing

Business Today's much-awaited annual specials are a collector's delight. To access these, go to www.businesstoday.in, and then to archives.

Specials

PARTICIPATE IN THE:
Best Companies To Work For

LOG ON TO:
indicus.net/BTbestcompaniestoworkfor

Subscribe Now:
businesstoday.in/subscribe
or Call Toll free: 18001800100

Utility Tools

Risk Calculator
Analyse your risk tolerance and decide your investment approach.

Also: Future Needs Calculator, Education Plan, EMI Calculator...
businesstoday.in

e-newsletter

Register for free and subscribe to *Business Today*'s e-newsletter.
businesstoday.in

Read Now on

ZINIO: businesstoday.in/zinio
KINDLE: businesstoday.in/kindle

ON MOBILE

Hot New Management Tip
Get a tip for the day every day, and participate in opinion polls through SMS on your mobile phone 24 hours a day.

SMS BTTIP to 52424

NOTE: Available with all cellular operators. Regular SMS charges apply.

ANSWER THE BT-ON-THE-MOVE QUESTION

Do you think Indian industrialists and business tycoons need to be more generous towards charitable giving?

Type **"BTPOLL Y"** for Yes.
Type **"BTPOLL N"** for No.

SMS to 52424

Readers can also participate in the poll at www.businesstoday.in
Powered by 2ergo India
www.2ergo.com

FOCUS

14 Combating Food Inflation

16 New Android Devices

22 Lessons in Wealth Creation

27 Still Waiting for Mumbai Metro

ILLUSTRATIONS BY RAJAT BARAN

Not the Best Recipe

SEBI's Jalan Committee recommendations will perpetuate the monopoly of the National Stock Exchange, argues Joseph Massey

In India, industry and investors, who raise and deploy capital in our capital markets, currently have to grapple with an undeveloped market. Consider this: 80 per cent of the trading is still confined to the Top 100 companies, 50 per cent of the trading business is with the Top 25 members, and 80 per cent of the market is restricted to the four metros. There are other problems. There is excessive dependence on foreign institutional investors, or FIIs, in the cash market, low retail participation, low delivery-based business and absence of instruments such as corporate bonds, interest rate futures and equity in small and medium enterprises, or SMEs. The Bimal Jalan Committee (BJC), set up by the Securities and Exchange Board of India, or SEBI, the stock market regulator, on the governance of market infrastructure institutions, misses the opportunity to usher in any change as we enter a new decade

₹4,138,023 cr

was the trading volume on the NSE in 2009-10 making it the fourth-largest exchange in the world in terms of turnover

with global attention on India. SEBI Chairman C.B. Bhave's comments in support of the committee report is equivalent to pronouncement of judgment even before the hearing. This reflects lack of jurisprudence. Let me explain the major shortcomings in the proposals.

The committee has committed several oversights. One of the biggest, a cause of anguish to the industry, is that the chairman did not meet many stakeholders; only its sub-committee did. On most issues, the BJC has seen merit in the National Stock Exchange, or NSE, model by rejecting better global models and has ensured that capital raising is made more difficult for existing or new exchanges, hence perpetuating the NSE model and monopoly.

The BJC recommendation that exchanges should not be allowed to list is bad in law as investors have already invested ₹10,000 crore in various stock exchanges based on the recommendations of the Kania Committee and the scheme of demutualisation. This recommendation, if implemented, will dry up all sources of capital available to the exchanges. No new exchange will ever be set up. While ₹100 crore is the minimum capital requirement, the actual capital needs of an exchange could be ₹1,000 crore and nobody would invest this kind of funds with the proposed restrictions. Also, the argument that listing exchanges will lead to a conflict of interest as they are frontline regulators has no logic as this does not hold true for other utility sectors like telecom, banking, aviation, and insurance.

The recommendation that any excess profit over a fixed return on net worth will have to be transferred to the settlement guarantee fund/investors' protection fund, is a retrograde one. It will favour the existing monopoly player who has a larger net worth, and, therefore, is entitled to retain more profit than a new exchange with lower net worth.

It is also interesting to note that the Jalan report has suggested the ownership limits of domestic public financial institutions and banks (private and public) be increased from 15 per cent to 24 per cent by introducing the concept of 'anchor investors'. The BJC recommends that only banks and financial institutions can be anchor investors and prevents other eligible corporates from being anchor promoters, who could add great value and prevent conflicts. The definition of an anchor promoter should ideally be further widened to allow non-financial companies to establish exchanges. Globally, the non-banking financial companies, or NBFCs, and technology companies establish new generation exchanges, which promote product differentiation, innovation, new technologies, and ultimately capital market development.

The committee has categorised stock exchanges, clearing corporations and depositories as market infrastructure institutions, but suggests differential treatment to their shareholding structures. It has recommended a maximum of five per cent shareholding in a stock exchange, 24 per cent shareholding in a depository, and 100 per cent shareholding in a clearing corporation for any investor. Ideally, as a clearing corporation and a depository carry more risk, their shareholding should have been more dispersed.

The committee's composition has also left a lot to be desired. Of the BJC's seven members, four are from SEBI, its board or its affiliate organisations. The Kania Committee, which recommended demutualisation, had no SEBI-related officials. Tata Sons, the promoter of TCS — the largest technology provider to NSE, NSDL, and NSCCL — has one member. One of the members is a promoter who runs a new private bank, mutual fund, and brokerage house. So, I believe there is a conflict of interest, given the BJC's recommendation on ownership limits.

While SEBI has been transparent enough to upload the agenda on its web site, it is surprising to note that it has withheld the feedback of several respondents to the committee report. RBI uploads such comments received on banking licences and it is an accepted global best practice.

To my mind, the uproar in the financial community over the BJC report is justified since it is taking India's financial sector backwards. The recommendations are pro-monopoly, anti-growth, and hence anti-market development.

The author is the MD & CEO, MCX-SX

MASSEY'S TAKE

- The Jalan Committee has missed the opportunity to broadbase the Indian equity markets
- The Committee appears to see merit in the NSE model by rejecting better global models
- If exchanges are not allowed to list, it will dry up sources of capital for new exchanges
- The definition of 'anchor promoter' should be broadened to allow non-financial corporates to establish exchanges
- The shareholding of clearing corporations and depositories must be diversified
- The Committee's composition also leaves a lot to be desired

THE BATTLE AGAINST FLAB HAS BEGUN!

«««« PRESENTING »»»»

FIT INDIA MOVEMENT

At Proline Fitness, we don't believe in putting off the fight against flab. Make fitness your mantra from today. Join our Fit India Movement to burn the calories and lead a healthy lifestyle. It's the best way to stay fit.

Register for the movement at www.prolinefitness.in and enjoy great discounts on our state-of-the-art fitness equipment.

G ON TO :

www.prolinefitness.in

BROUGHT TO YOU BY:

PROLINE FITNESS

Unravelling Food Inflation

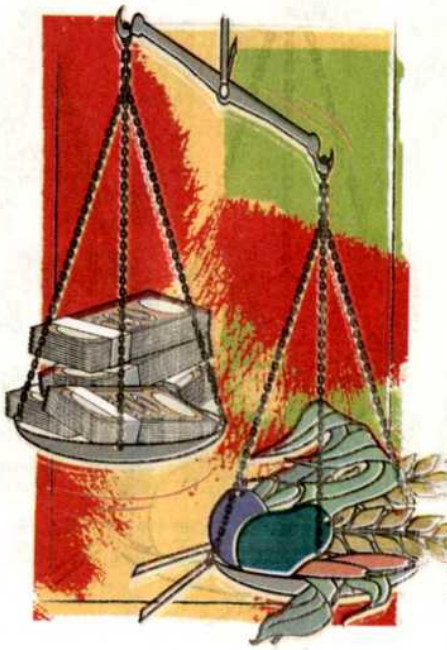
The government must learn lessons from its failures to chalk out a sound strategy for reining in volatility in food prices. BY MANU KAUSHIK

Food inflation rears its head again...

Despite a good monsoon in 2010, the Wholesale Price Index of agricultural produce is once again in double digits. At the time of going to press, it was over 14 per cent for the week ended December 18, compared to the corresponding period last year. On a yearly basis, the price rise is primarily led by items such as onions (jumping 40 per cent year-on-year), vegetables (29 per cent), fruits (22 per cent) and egg, meat and fish (20 per cent). The food inflation index had been obdurately high in 2010 but began to cool off in October following the arrival of kharif crop in the market and a favourable base effect. Limited supplies in the last few weeks suddenly pushed up food prices again.

... due to untimely rains and hoarding...

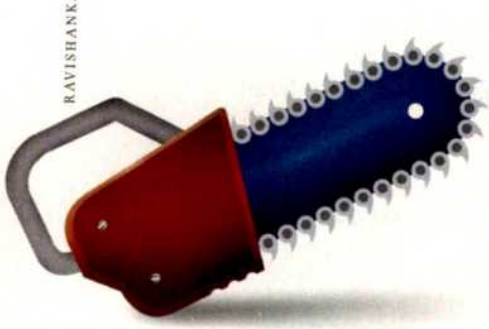
Untimely rain in many parts of the country damaged some standing crops resulting in shortage of food commodities, especially of perishable items. "The rainfall pattern has shifted forward this year which had an adverse impact on kharif crop in various regions. Besides, perishable crops are highly price-sensitive. A small scarcity in supply can mean prices shooting up in wholesale markets," says Pramod Kumar Joshi, Director of National Academy of Agricultural Research Management (NAARM). Another reason for the high prices was an artificial shortage due to hoarding by traders and speculation.



... but also exposed the lack of a game plan

The government reacted by putting a blanket ban on export of onions and abolished import duties to boost domestic supplies to control spiralling prices. But experts think these are stop-gap measures and the government has to be more proactive. "There is a need to constitute a market intelligence cell that should constantly monitor prices of food articles in both domestic and international markets, and alert the government if the price of a commodity moves beyond a specified band," says Joshi, adding that more investment is required in the agriculture sector.

Then, there are not enough cold chains for the storage of fruits and vegetables. "Unlike the milk industry, where the markets are well connected and prices do not vary from one region to another, supply chain systems for perishable products are weak. As a result, traders — wholesalers and retailers — take advantage of the situation and jack up prices," says Joshi. The government also has to strengthen the inadequate public food distribution system to check the volatility in prices.



RAVISHANKAR

WORDSMITH

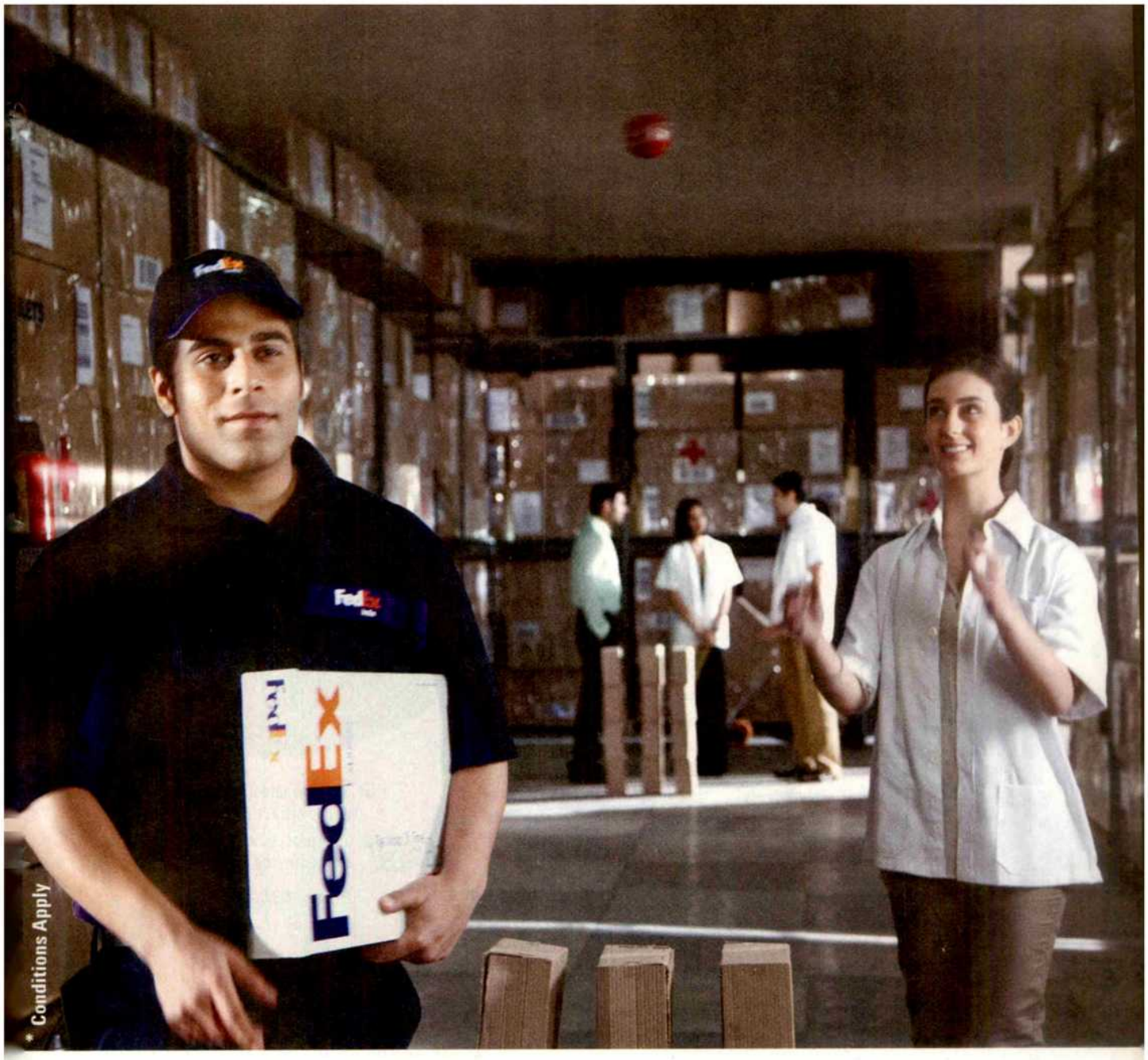
Chainsaw Consultant

Chayn-saw Cuns-ult-ant

What it means:
An external consultant bought in to reduce headcount in an organisation.

Origin: The word became popular in the US in the mid-1990s. It's drawn from the popular horror movie *Texas Chainsaw Massacre*.

Usage: As the CEO, I do not sack people. I just get a chainsaw consultant to do the dirty job.



Champions produce winning deliveries from both ends of the field.

FedEx now also offers **import services** to help your business grow internationally. If you have delivered solutions that have helped your business win globally, join the FedEx International Business League.

You could win free international business consultancy and get featured on ET NOW.

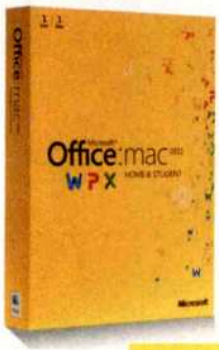
Visit ibl.fedex.com to register now!

ET NOW™ Strategic Media Partner

FedEx® Express

Microsoft does make good software for Apple. We also check out new Android devices.

The Best on Offer



Office for Mac 2011

- ⊕ Integrates well with the Windows version of Office
- ⊖ Occasional users are better off with Apple's own, cheaper iWork suite

Price: ₹12,000 (Home and Business)
₹5,450 (Home and Student)

Microsoft has been developing a version of Office for Mac for several generations now. The latest iteration is possibly one of the nicest pieces of Microsoft software. It has all the nice parts of Office 2010 but with all the tricks of the Apple user interface built in. It allows Mac and Windows users to function in the same corporate environment thanks to Microsoft SharePoint. For standalone Apple users, though, Apple's iWork suite is possibly the better bet. There is a bit too much clutter in MS Office 2011 for hardcore Mac loyalists.

Value for Money

This was the first mobile device running Android 2.2 available in the market and, on the face of it, does not disappoint. Priced attractively, it performs most tasks relatively easily though it may not have the richest feature set. However, there are some niggling issues, not least of which is that when running Android on a relatively slower processor — the Optimus One has a 600 megahertz processor — tasks can begin to hang. The device frequently logged out of Facebook and Twitter, losing its data connection, and on large canvas stages in the *Angry Birds* game, the device slowed down to a crawl and needed a reboot. As with the Motorola Charm below, it makes sense to download a task closing application for the Optimus One.

LG Optimus One P500

- ⊕ Runs the latest version of Android, priced attractively
- ⊖ Slow processor, intensive applications slow down the device to a standstill

Price: ₹13,000

Motorola Charm

Nifty Device

This is the first Android device with a BlackBerry-esque keyboard below the screen. The hybrid touch screen and keyboard seem to work very well and you do find yourself typing more than you would on a touch screen-only device. While the Charm runs the earlier 2.1 version of Android, Motorola's engineers seem to have done a better job of processor management. Applications tend to work better on the whole. The Charm's shape and format will not be to everyone's liking, but it is a very solid device. Motorola seems to have rediscovered its ability to make good mobile devices.

- ⊕ Solid build quality, useful keyboard, good processor and memory management
- ⊖ Backtrack pad not that useful, camera quality could be better, battery life quite ordinary

Price: ₹15,490

COMPILED BY KUSHAN MITRA

Canon

Delighting You Always

HELPS YOUR COMPANY IN SAVING THE ENVIRONMENT. NOT TO MENTION COSTS.

Canon Managed Document Services ensure optimum utilization of your company's resources. Canon's Managed Document Services **"Effi Click'** ensures that every click to action a print is a conscious one. It helps in saving cost by avoiding wastage of paper. With this service your office also serves the environment by reducing its carbon footprint. Canon Managed Document Services is your company's way to efficient cost cutting, increased document security and a greener office.

SMS
anon BT'
o 58888

Any click on Canon Managed Document Services , we call it "Effi Click"

To make every click in your organization an **"Effi Click"**, sign up for Canon's Managed Document Services program.

Canon MDS
Managed Document Services

eCopy™

uniFLOW

efficlick

Business Can be simple

ANON: 39010101 / 1800 180 3366 or visit www.canon.co.in, Corporate Office: Canon India Pvt. Ltd., Second Floor, Tower A & B, Cyber Greens, DLF Phase-III, Gurgaon-122 002

BT-ERNST & YOUNG

Deal Watch 2010

BIGGEST DEALS OF THE YEAR

Sunil Mittal: Global footprint

Sunil Mittal is now busy building a global footprint for his group. Bharti Airtel acquired Zain Group's mobile services operation, Zain Africa BV, in the blockbuster deal of the year with an enterprise value of ₹ 50,389 crore ($10.7 billion).

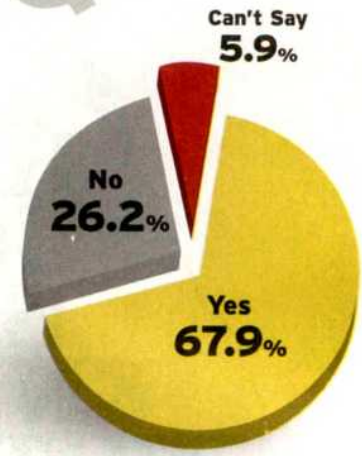
Bharti has now become one of the five largest mobile operators in the world, with operations across 18 countries in Asia and Africa covering about 1.8 billion people. It is expected to benefit from the low competition in Africa, since Zain is the market leader in 10 out of the 15 countries in which it operates and the second-largest player in four countries.

Target	Acquirer	Industry	Type	Deal value (₹ crore)	Stake (%)
Zain Africa BV	Bharti Airtel	Telecom	Acquisition	50,389	100
Cairn India	Vedanta Group	Oil & gas	Acquisition	44,366*	51-60
Republic of Venezuela – Carabobo Block	Indian Oil, ONGC Videsh, Oil India, Petroliam Nasional Bhd, Repsol YPF SA	Oil & gas	Investment	22,673.5	40
Piramal Healthcare's health care solutions business	Abbott Laboratories	Pharma	Acquisition	17,349	100
Aircel's mobile towers business	Chennai Network Infrastructure	Telecom	Acquisition	8,026	100
KBL European Private Bankers SA	Hinduja Group	Financial services	Acquisition	7,866	100
Atlas Energy Inc's Marcellus shale assets, Pennsylvania	Reliance Industries	Oil & gas	Investment	7,565	40
Reliance Natural Resources	Reliance Power	Oil & gas	Acquisition	7,120	100
Infotel Broadband Services	Reliance Industries	Technology	Acquisition	4,817	95
JSW Steel	JFE Steel Corporation	Metals and mining	Investment	4,807	15

Ernst & Young is a leading M&A advisor in India. The data is based on media reports and company announcements. Any decision on the basis of this information should be taken only after professional advice. *Business Today* or E&Y do not undertake any responsibility with regard to any such decision.

*Includes the value of the open offer to be made by Sesa Goa, a Vedanta subsidiary

Is Prime Minister Manmohan Singh culpable in the 2G spectrum scam?



Results of *BT* Online poll; No. of respondents: 271

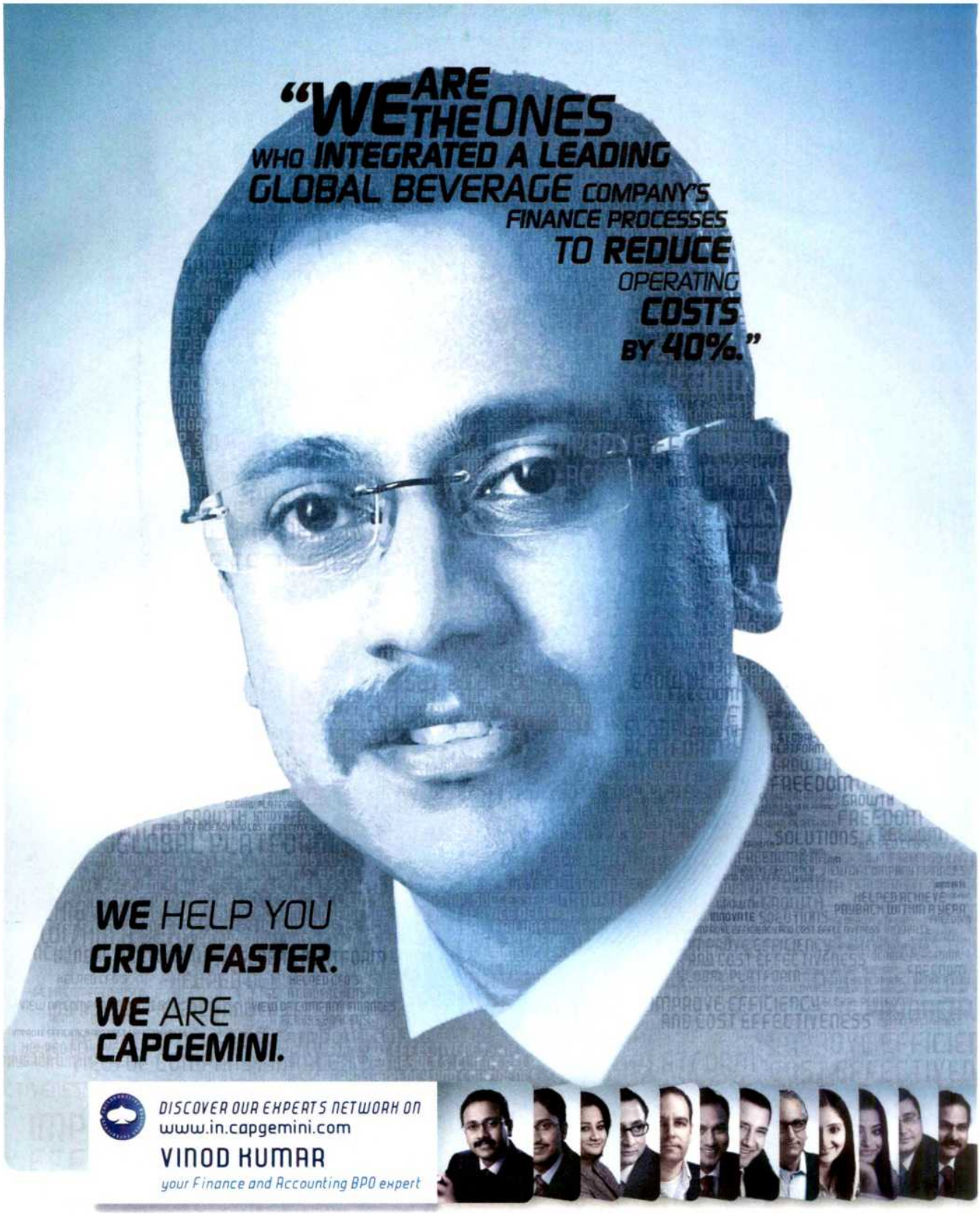
The majority concurs that the Prime Minister is personally culpable in the scam.

The report of the Comptroller and Auditor General, or CAG, with its severe indictment of A. Raja's role as Telecom Minister, has clearly embarrassed the Congress. The Prime Minister, whose personal integrity is above board, still finds his credibility dented with the Opposition accusing him of looking the other way while Raja sold 2G spectrum for a song.

It is the biggest political challenge before the Prime Minister. Singh has agreed to appear before Parliament's Public Accounts Committee (PAC) probing the scam to clear the stand of his government.

With the opposition pushing for a probe by the Joint Parliamentary Committee, or JPC, the stage appears set for a massive showdown.

Next poll question:
Is a further hike in interest rates by the RBI required to keep inflation in check?
www.businesstoday.in to cast your vote



At Capgemini, we recognize that it is our people whose performance and capabilities help deliver the right business solutions. From making governments more efficient to configuring ERP solutions for manufacturing, and from streamlining the processes for financial institutions to developing smart energy solutions, we work closely with our clients to help them grow faster. But more importantly, we achieve this because we understand that what drives good business results, is good people.

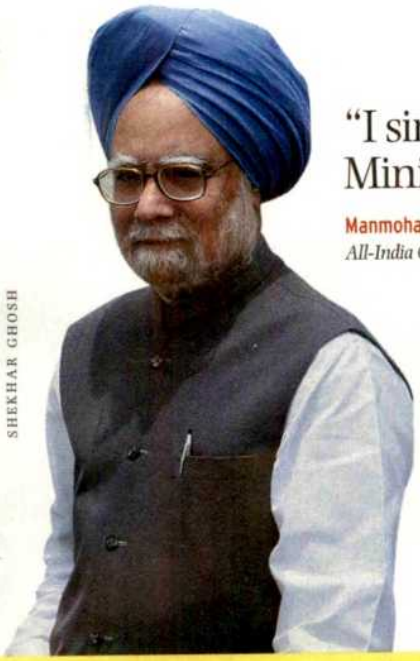
People matter, results count.

Capgemini
CONSULTING. TECHNOLOGY. OUTSOURCING

At Capgemini, we recognize that it is our people whose performance and capabilities help deliver the right business solutions. From making governments more efficient to customizing ERP solutions for manufacturing, and from streamlining the processes for financial institutions to developing smart energy solutions, we work closely with our clients to help them grow faster. But more importantly, we achieve this because we understand that what drives good business results, is good people

People matter, results count.

Capgemini
CONSULTING. TECHNOLOGY. OUTSOURCING



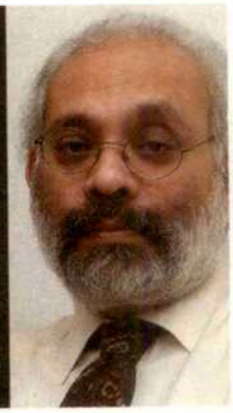
SHEKHAR GHOSH

"I sincerely believe that, like Caesar's wife, the Prime Minister should be above suspicion."

Manmohan Singh, *Prime Minister, asserting that he had nothing to hide in the 2G spectrum allocation, at the All-India Congress Committee plenary session in New Delhi*

"The bond market will supplement the banking system and, over time, displace it as the primary vehicle of a large quantity of finance moving into infrastructure."

Subir Gokarn, *Reserve Bank of India Deputy Governor, quoted by wire agencies*



"Why should we accept second place? India has the capacity to overtake China and become the fastest-growing economy in the world."

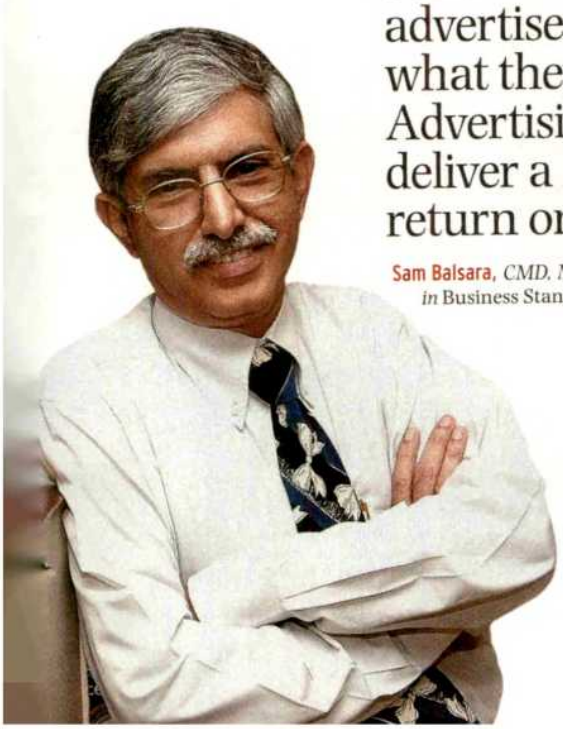
P. Chidambaram, *Home Minister, at the All-India Congress Committee plenary session in New Delhi*

"Media owners spend too much time on content... but advertisers pay for what they receive. Advertising has to deliver a higher return on investment."

Sam Balsara, *CMD, Madison World, in* Business Standard

"The mantra is clearly globalisation – global footprint, global workforce and global customers."

Som Mittal, *President, NASSCOM, on the road ahead for the Indian IT-BPO industry, in* The Economic Times



CLASSIC BUSINESS QUOTE

"I like to tell people that all of our products and business will go through three phases. There's vision, patience, and execution."

Steve Ballmer

THE TOP 10 Most Watched Ads
November 2010

Airtel 3G — GRPs 994

1 Rank

Seconds on air: 535,285

Fair & Lovely Forever Glow — GRPs 939

2 Rank

Seconds on air: 364,680

Vaseline Total Moisture 24 hrs — GRPs 886

3 Rank

Seconds on air: 198,835

Complan — GRPs 880

4 Rank

Seconds on air: 276,090

Horlicks — GRPs 862

5 Rank

Seconds on air: 294,340

Dove Intense Repair Therapy — GRPs 833

6 Rank

Seconds on air: 461,995

Tata DoCoMo 3G GSM — GRPs 803

7 Rank

Seconds on air: 349,100

Cadbury Dairy Milk Chocolate — GRPs 776

8 Rank

Seconds on air: 287,870

Fair & Lovely Winter Fairness — GRPs 732

9 Rank

Seconds on air: 299,915

Colgate Total Clean Mint — GRPs 732

10 Rank

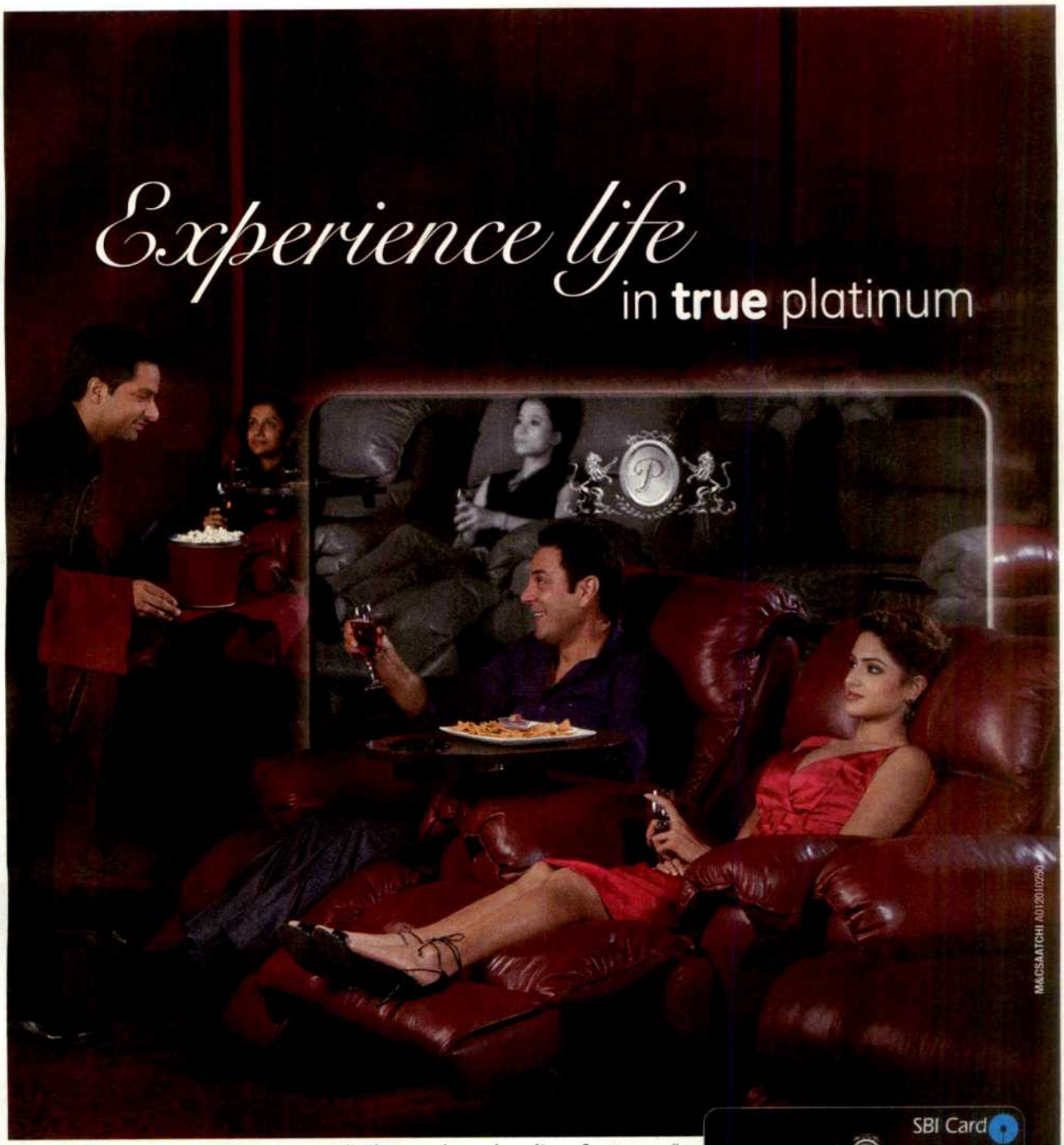
Seconds on air: 410,575

The stage seems set for some high voltage promotional campaigns of 3G services by telecom giants. For the first time, two 3G ads have made it to the Top 10 on our list. While Tata DoCoMo is at No. 7, Airtel bags the No. 1 spot with its hard-nosed campaign of its 3G video calling facility. And telecom companies are likely to up the ante further with a big push planned for their 3G initiatives around the cricket World Cup in the subcontinent in February and March.

... THE OTHER 15

RANK/BRAND		GRPs
11	Sun Direct	719
12	Sun Direct	698
13	Ponds Gold Radiance	690
14	Fair & Lovely Multivitamin	648
15	Ariel Oxyblu	622
16	Vaseline Total Moisture	595
17	Bharti Axa Life Insurance	593
18	Cadbury 5 Star	586
19	Vodafone Cellular Phone Service	563
20	Clinic Plus Shampoo	556
21	All Out Total	530
22	Vodafone Cellular Phone Service	529
23	Pears	526
24	Pears Face Wash	524
25	Nutrilite Range	517

Source: TAM Peoplemeter System
All India CS 4+Yrs GRP normalised to 30 secs
To see ad duration, visit www.businesstoday.in



Open new doors of luxury with these class-leading features#:

- 5X Cash Points on Dining, Departmental Store & International Spends
- Upto 3 complimentary Kingfisher Airlines Return Tickets every year
- Gold Tier Membership of King Club – 3 Upgrade Vouchers & Bonus Miles
- World wide Airport Lounge Access
- Complimentary Lost Card Liability Cover of upto Rs. 1,00,000

Call today & get a Complimentary Return Ticket

KINGFISHER AIRLINES

SMS PLAT to 56767

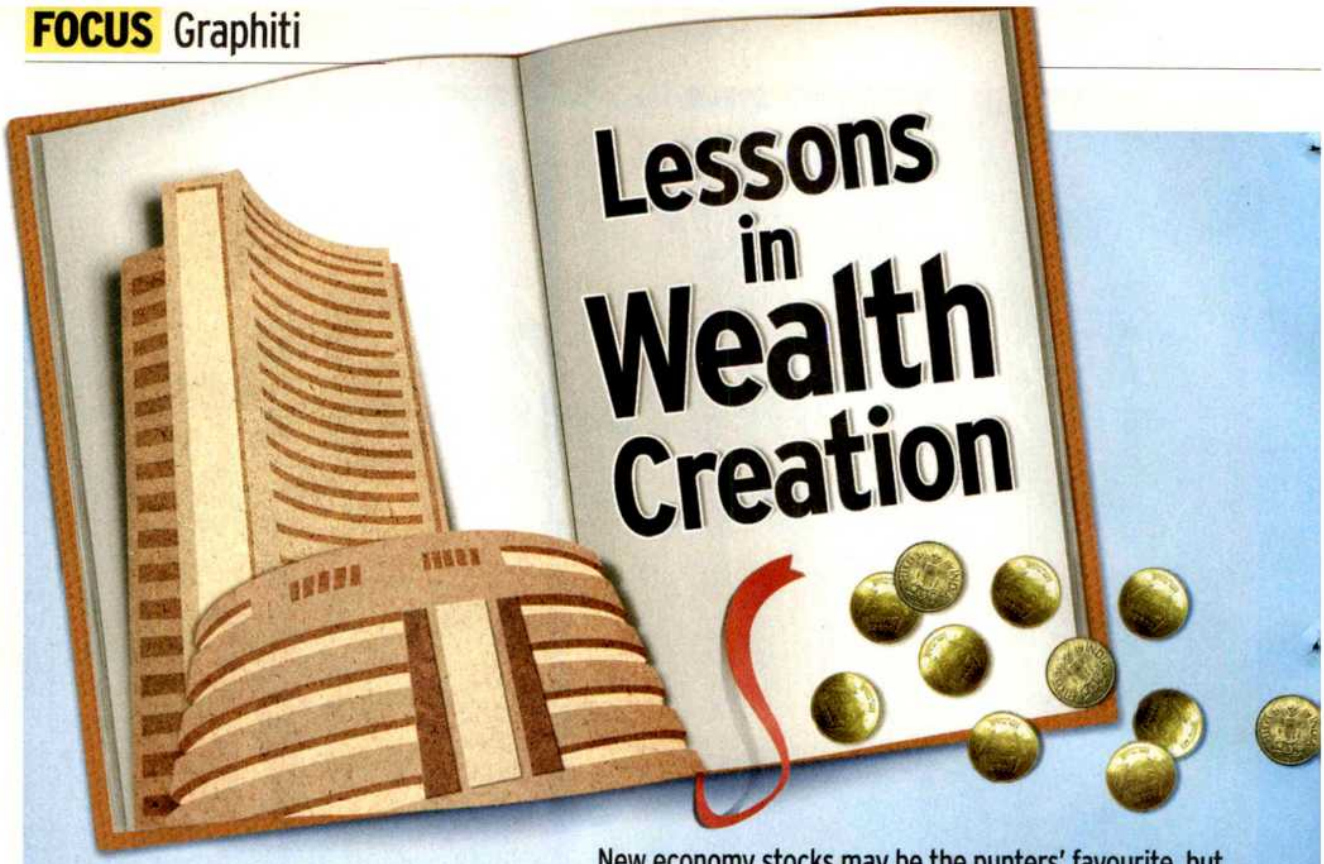
Or Call 39 02 02 02 or 1860 180 1290 (BSNL/MTNL lines)

Or Visit www.sbicard.com

SBI Card
Make life simple

#Terms & Conditions Apply • The Kingfisher Airlines Tickets are base fare free only, taxes & surcharges will have to be borne by the cardholder • The King Club Gold Tier Membership is valid for the first year only, subsequent year tier will be determined by the tier qualifying criteria of the King Club program • For any further clarification, please call our helpline numbers 39 02 02 02 or 1860 180 1290

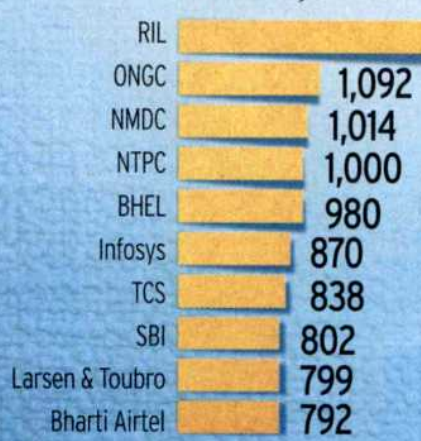
Lessons in Wealth Creation



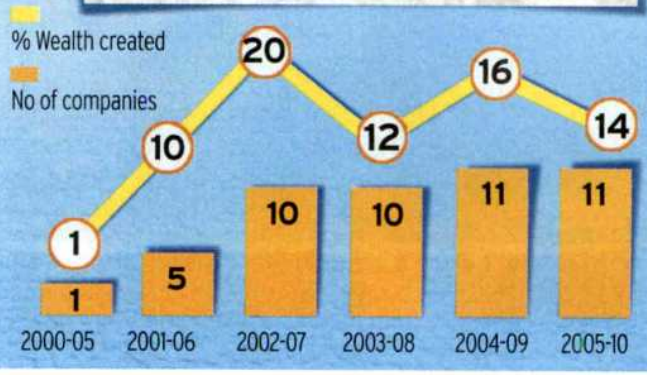
New economy stocks may be the punters' favourite, but old economy bluechips are still the biggest wealth creators on Dalal Street. Stocks of public sector firms have performed better than their private sector peers even as MNCs have fallen out of favour with investors. These are the findings of a study by the brokerage Motilal Oswal.

The list of the 10 biggest wealth creators is dominated by old economy stocks...

2005-2010 (figures in ₹ billion)



... and new economy companies account for only a small fraction of the wealth created by the Top 100...



5 STEPS TO HERE

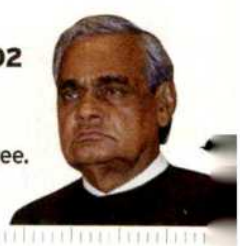
DELHI METRO'S EIGHT-YEAR RUN

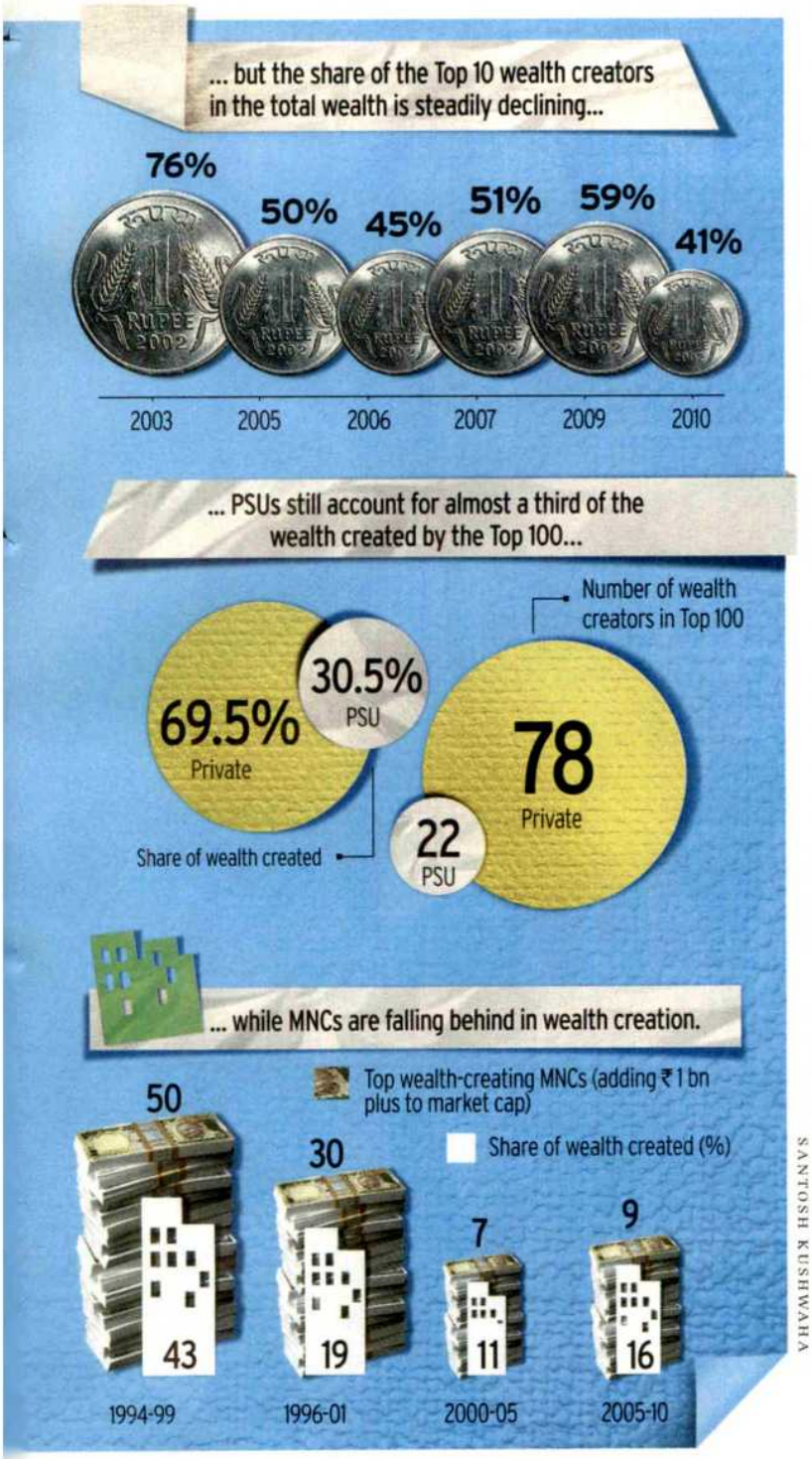
1

October 1998
Construction of Delhi Metro begins.

2

December 2002
Delhi Metro inaugurated by Prime Minister Atal Bihari Vajpayee.





SANTOSH KUSHWAHA

BT Retro
April 10, 2005

Going shopping with Wal-Mart

THEN: Last July, when Wal-Mart first approached Himachal Pradesh-based PA Time Industries to source inexpensive watches, it went about the task quietly and methodically. After checking out the company's manufacturing unit up north to start with, a team from Wal-Mart sat down with PA's marketing honchos and went over product costing, component by component. Where are the movements sourced from, how much does the steel cost, what about the plating... Next, Wal-Mart's director of finance flew down to Bangalore for a presentation, followed by the product head. That done, another team of inspectors paid a visit to the company's factory to look at its work practices: Are the workers being paid fair wages? Are any children being employed illegally? Do working mothers have a crèche facility?... Eight months on, PA's sample watches are being tested at Wal-Mart's technical factory in China. An approval is expected in April this year.

If PA, which sells its watches under the Maxima brand and claims to be the second-largest manufacturer after Titan Industries, is putting itself through an elaborate approval process without as much as a whimper, it is because of the buyer in question. With annual revenues of $256 billion (₹11,26,400 crore), the Bentonville-based retailer is the world's biggest. Getting a foot in the Wal-Mart door can, quite simply, transform the fortunes of a company.

NOW: Wal-Mart has developed a network of suppliers in the country. India has emerged as an important supplier of textiles, apparel, home products and jewellery to the world's largest retailer.

3

July 2009
An accident at a construction site kills six people, injures 15.

4

April 2010
Delhi Metro carries a million passengers in a single day for the first time.

5

December 2010
Delhi Metro completes eight years. Managing Director E. Sreedharan's term extended by a year.

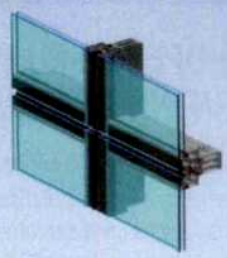
T.V. MAHALINGAM

ADITYA BIRLA
HINDALCO

THE WORLD MARVELS AT THE TOWERING GLASS FACADE.

TO US, THE REAL MARVEL IS OUR SUPPORT THAT BEARS 700 TONNES OF GLASS.

WHEN IT'S EXPERTISE IN ALUMINIUM EXTRUSIONS, LET HINDALCO BE YOUR STRENGTH.



Hindalco's expertise lies in quality. Made from virgin aluminium, Hindalco Extrusions are preferred for their superior alloy composition and mechanical properties to meet the most stringent performance parameters. Our expertise in extrusions is backed by superior Wagstaff AirSlip® billet casting technology. From glazings & facades, windows & doors, formwork & furniture to ladders & elevators – leading players in the Building & Construction industry trust Hindalco Extrusions. Hindalco's excellence is also backed by superior service from a team of dedicated experts who customize solutions after understanding specific customer needs. Expertise - in quality and service - makes Hindalco Extrusions the strength behind industries.

Other industries using Hindalco Extrusions:

- Building & Construction • Transportation
- Electrical & Electronics • Industrial Machinery
- Consumer Durables • Defence

HINDALCO
EXTRUSIONS

EXPERTISE IS OUR STRENGTH

www.hindalcoextrusions.com

Network HE1910-10 R

SHEKHAR GHOSH

"WE HOPE TO SPUR INDIAN DESIGN INNOVATION"

Autodesk's 2D/3D design software is used by engineers, architects and designers across the world. But its Chief Executive Officer, **CARL BASS,** *who was in India recently, wants to focus his attention on education and increase the reach of his products. He spoke to* BT's **KUSHAN MITRA.** *Edited excerpts:*

On Autodesk's tie-up with the All India Council for Technical Education

We have always had a close link with educational institutions, even in the United States. One problem that many companies face today when hiring engineers is that the students need to spend a lot of time doing remedial work and often do not even work on modern computers and software. By giving India's large number of engineering schools access to Autodesk software, we hope to spur design innovation in India.

On whether the tablet will change the consumer devices market

It already has, in a good way. We have an application for the iPhone and iPad, and we initially thought that we would have a few thousand downloads, instead there have been hundreds of thousands of downloads. My engineers find the application extremely useful. One of my engineers says that it allows him to sketch out his ideas whenever he gets them rather than wait until he makes it to a workstation. I feel that devices like the iPad are the future, and applications such as ours also help spread our product out to a wider, non-engineering and design audience.

On whether Autodesk is a niche software company

I do not believe that. We are in a market leadership position. Last year, we had revenues of $1.7 billion and those are not the numbers from a niche software company.

"Digital Business Is Our First Priority"

As Chief Executive of Publicis Groupe, the French communications and advertising combine, **MAURICE LEVY** *is one of the most powerful players in world advertising. On a recent visit to India, Levy spoke to* BT's **ANUSHA SUBRAMANIAN.** *Edited excerpts:*

On India plans

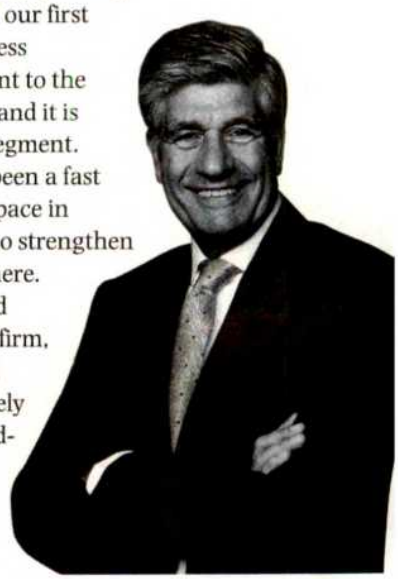
You cannot ignore a market as big as India and, therefore, it plays a very important role for the group. We started late in this market, but today we are a distant No. 2. We want to do much better by offering a wide range of services, thereby reducing the gap between WPP and ourselves. We plan to grow fast in this market organically as well as through acquisitions.

Publicis India's contribution to the group's global growth

We already have some work here for our clients such as L'Oreal, Nestle and Logan. We are trying to replicate this in other countries. We see a lot of areas where the Indian teams can set benchmarks. Secondly, we need to get more work out of India, and one way to do that is to acquire and nurture teams to develop business, or create new offerings from scratch. It has served Publicis well in France where some of its home-grown brands rank among the best in the country. The third way India can help is through talent. We have excellent talent but we need to get more such people.

On its digital strategy globally

We have made digital our first priority. Digital business contributes 30 per cent to the total revenues today, and it is the fastest-growing segment. Publicis Groupe has been a fast mover in the digital space in India and the idea is to strengthen our digital presence here. Last year, we acquired Microsoft's digital ad firm, Razorfish, for around $530 million. It is likely to enter India, considing the group is serious about expanding its digital offerings here.



airtel

galvanize your business...

airtel

...with our productivity enhancers

airtel is known for focused business communication solutions, designed specifically to increase efficiency and productivity of your organization. Business communication solutions developed by airtel reduce time to market with ready to use solutions, enable your mobile workforce and remote working solutions, empower collaboration with resources from across the world and save on capital investment with OPEX based commercial models.

Productivity enhancing solutions from airtel

Quick start solutions
- Business ready branch
- VPN in a box
- Hosted Contact Center
- Data Center services
- Application Quality Management

Work on the go
- Enterprise application on mobile platform (MATE)
- Remote access VPN

Collaboration enablers
- Video and Audio conferencing
- Voice over IP (VoIP)

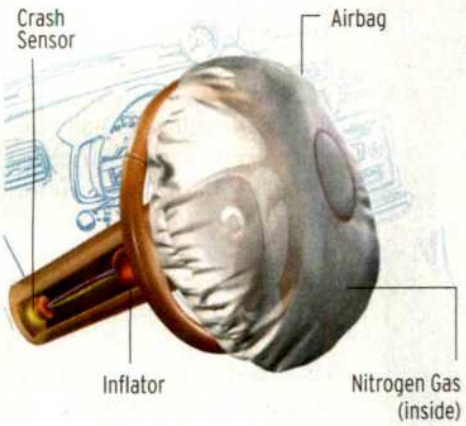
To transform your business into an efficient and productive unit, write to us at **business@airtel.in** or **call 1800 102 4005** (toll free) from Mon-Fri between 9 am-6 pm

HOW THINGS WORK

Airbags

Last fortnight, General Motors recalled over 100,000 Cadillac CTS models in the US to fix a problem with the deployment of airbags in these models. Since their commercial deployment in the 1980s, airbags have saved thousands of lives. So, what are airbags all about and how do they work?

The airbag is an inflatable bag made of thin nylon that is placed in a packed form in the steering wheel or the dashboard and, in high-end cars, in the side doors. When a collision occurs, a sensor triggers a reaction between sodium azide and potassium nitrate stored in the inflator mechanism producing a hot blast of nitrogen gas. The reaction is so fast that the airbag inflates in a fraction of a second, cushioning those in the car during the sudden impact.



SANTOSH KUSHWAHA

About a second later, the airbag deflates as the gas is released through holes, and the passenger is free to move again. The powdery discharge after an airbag release is often just a lubricant like talcum powder to ensure that the deployment goes off smoothly.

JUST WONDERING

Still Waiting for the Train

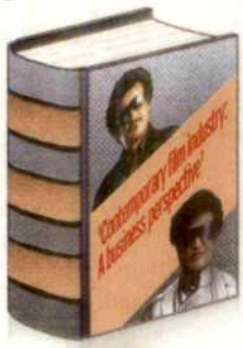
Everybody is still waiting for this train. Since 2006, when the foundation stone for the Mumbai Metro project was laid, Mumbaikars have been waiting for the first metro train to chug down the tracks. The project has been hamstrung by a lack of coordination between various government bodies like the Railways and the Mumbai Metropolitan Region Development Authority (MMRDA), and the presence of densely-populated localities along the proposed route of the metro.

Initially, a deadline of July 2010 was set for the completion of the first phase of the project. Earlier this year, the MMRDA, which is overseeing the project, extended that deadline to December 2010. Now, the authorities are saying that the first commercial run may happen only in October 2011. However, to assuage the seething anger among Mumbaikars who continue to travel in claustrophobic trains, MMRDA has promised that the first trial run will happen in February. Given the delays, one wonders if this baby will ever walk, forget run.

COMPILED BY T.V. MAHALINGAM

Quirky

Superstar MBA, Mind It



Rajinikanth is the flavour of the season. His latest flick, *Robot*, has wowed the masses and the poisoned quills. There are more Rajini jokes on the Internet than there are websites. Almost. And now, the country's premier management institute is all set to induct the Tamil actor into the world of management. No, Rajini is not doing a Laloo Prasad Yadav and delivering a homily at IIM Ahmedabad. The institute is starting a new elective course called "Contemporary film industry: A business perspective" as a part of which the boys and girls hoping to rule India Inc. will study how the bus conductor-turned-actor's movies weave box office magic across the globe. After all, the superstar's movies are popular from Osaka to Udhagamandalam. One wonders if the course includes soft skills like lighting a cigarette using a pistol or catching a bullet with bare fingers.

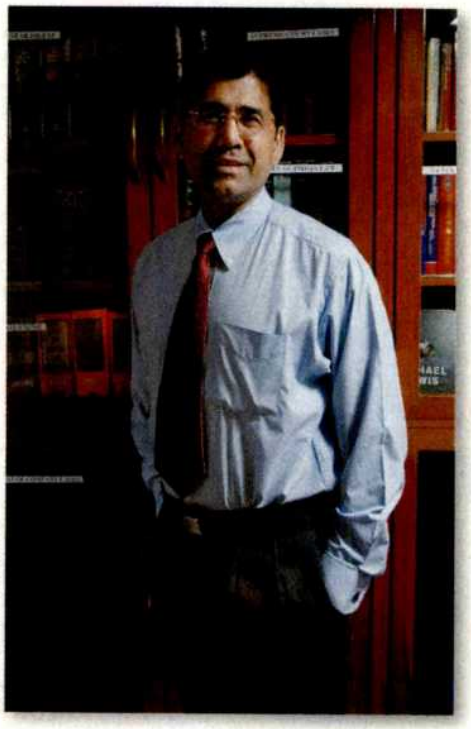
Snoot Corner

Golf Etiquette

It's your first time on the golf course and your buddies have played the game forever. It's a gentleman's sport in which you don't want to be caught on the wrong foot. Fret not. Here are some quick tips. For starters, like *The Police* song goes, gentlemen will walk but never run. That holds true of the golf course, too. Keep your golf cart on the paths as much as possible. They are just a mode of transportation and not a sign of your social status. Always mark your ball to avoid confusion when the game is on. A ball hitting the green causes an indentation called a pitch mark. A good golfer repairs the pitch marks he creates. A player with the highest score on the previous hole has the honour of teeing off first.

Goods and Services Tax
A Disastrous Step

The implementation of the Goods and Services Tax (GST) is still mired in controversy and the Union government, in attempting to accommodate the objections of the states, has completely distorted this levy. If the basic objective is to generate more revenue for the states through a tax on services and for the Central government through a tax up to the point of retail, then it is far better to streamline and improve the existing system. It is difficult to comprehend the logic of trying to merge the Union and state levies. The implementation of the GST will be disastrous for seven important reasons:



H.K. RAJASHEKAR

Violates the principle of federalism: The Indian republic is federal in character and the Constitution envisages a great deal of fiscal autonomy to the states. List I, which is the Union List, contains Entries 82-97 which enable the levy and collection of various types of taxes such as customs duty, central excise, income tax, etc. The states have the power to levy sales tax/VAT, duty on alcohol, entry tax and other types of taxes mentioned in Entries 46-63 of List II. Central excise and sales tax constitute major sources of revenue for the Union government and the states. Merging sales tax/VAT with central excise will destroy the fiscal autonomy of the states. Today, each state government can decide the rate of sales tax and the exemption it wants to give; with the GST, there will be no such flexibility. In fact, this has been one of the major misgivings expressed by some of the states.

Not suitable for a large, heterogeneous country: GST is suitable for countries with homogeneous commercial and demographic features. Our states are even more diverse than the independent countries of the European Union. A sales tax system that is suitable for a state with rich mineral resources like Jharkhand may be totally unsuitable for an industrialised state like Gujarat or Maharashtra. The GST, as it is sought to be implemented, has the fatal flaw of trying to fit one glove for all sizes and shapes.

GST will require an extremely complex tax system: A discussion paper released in November 2009 indicated multiple GSTs — one for the Centre, one for the states and a third one, IGST, for inter-state transactions with possible multiple rates in each category. A complex system of input credits in inter-state transactions will lead to claims by "exporting" and "importing" states that are to be sorted out by some kind of a central clearing or regulatory mechanism. It also suggested three rates: 12 per cent for essential goods, 16 per cent for all other goods and 16-20 per cent for services — a fundamental and fatal flaw that will guarantee litigation and tax evasion. Alcohol and petroleum products are likely to be outside GST and there is no clarity on purchase tax or octroi. GST will thus require a complex regime of sections, rules, notifications, forms, circulars and clarifications.

Constitutional and statutory amendments will be necessary: The GST will require several amendments to

Our states are even more diverse than the countries of the European Union. The GST, as it is sought to be implemented, has the fatal flaw of trying to fit one glove for all sizes.

CITIZEN®

Super Titanium

Innovative metals come from innovative ideas.

For other watchmakers, transforming titanium with techniques used by NASA might seem extravagant. At CITIZEN, it's expected. Our Super Titanium watches are five times as hard as stainless steel and as light as regular titanium. Which makes them harder to scratch and impossible to ignore. With Eco-Drive, the watch never needs a battery change. It runs on any light, forever.

LIGHT FOREVER

Ti+IP Super Titanium

SUPER LIGHTNESS by Titanium
Specific gravity 4.51g/cm³
40% lighter than stainless steel

SUPER HARDNESS by Ion-Plating
Vickers hardness 1200
Five times harder than stainless steel

Eco-Drive

CITIZEN (Exclusive Showrooms)

Delhi: 1. M-73, M-Block, Greater Kailash-1 Market - 41631241 / 29243102. **2.** M-54, Connaught Circus - 41517771 / 23416187. **Mumbai: 1.** Flora Fountain (Opp. Thomas Cook) - 66331494. **2.** Bandra (W) Linking Road - 32648008. **Chennai: 1.** Royapettah, Express Avenue, Whites Road - 28464305 / 28464306. **2.** Spencer Plaza - 28492760 / 62. **Kolkata: 1.** Park Mansion, Park Street - 40017534. **2.** City Center, Salt Lake - 23584305. **Bangalore: 1.** Safina Plaza - 25325757. **2.** Sri Raghavendra Complex, Jayanagar - 41211511. **3.** Time Zone Creations, Indiranagar - 43473705. **Agra:** TDI Mall, Fathehbad Road - 4014620. **Baroda:** Alkapuri Arcade - 3052165. **Calicut:** Focus Mall - 3017700. **Ghaziabad:** Shipra Mall - 4139799. **Goa:** Communidade Building, Panjim - 2420285. **Gurgaon:** Gold Souk - 6522556. **Hyderabad: 1.** Prashanti Mansion, Banjara Hills - 66624666 / 66627666. **2.** Methodist Complex - 23324686 / 66844497. **Jaipur: 1.** Shop No. 345, Jain Dharamshalla Building, Near M.B. Sons, M.I. Road - 4001510. **2.** GF - 8, MGF Mall - 5118844. **Kochi:** M.G. Road - 2383525. **Lucknow: 1.** Fun Republic Mall - 4012300 / 9794865222. **2.** Rani Sultanat Plaza, Hazrat Ganj - 4047861 / 9839486692. **Ludhiana:** Westend Mall - 4656055. **Mangalore:** City Center Mall, K.S. Rao Road - 4253253. **Patna:** Bibha Complex - 2238808. **Pune: 1.** Sahajanand Complex - 26348165. **2.** Punyaie Sabhagraha, Opp. PNG Jewellers, Paud Road - 25450620. **Varanasi:** Indraprasth Multiplex - 3294397 / 9559187821. **Citizen Boutique: Kochi:** Oberon Mall - 95672 24225. **Coimbatore:** Thiruvenkataswamy Road (W) - 2551349. **Chandigarh:** Packard's, Sector 17E - 2703251 / 2541700. **Delhi:** Johnson Eco-Drive Corner, Connaught Place - 41517519 / 23416130. **Bangalore:** Zimson Swiss Watch Boutique, Garuda Mall - 40913801/02. **Indore:** UG - 2, Shree Vardhan Complex, 4 R.N.T. Marg - 4070581. ***Also available at Shoppers Stop, Pantaloons, JIV, Lifestyle and leading watch outlets.***

For Institutional Sales enquiries, e-mail to institutional@citizenwatches.co.in

Citizen and Eco-Drive are registered trademarks of Citizen Holdings Co., Ltd., Japan

www.citizenwatches.co.in

GST in place of the existing excise duty and sales tax is like replacing two buckets with a large number of holes with one large bucket with the same number of holes.

RAJAT BARAN

the Constitution. Either certain entries in the taxation list will have to be merged or there will have to be a new entry (perhaps Entry 92-D) for GST. These amendments will further complicate the law and will lead to more litigation.

Systemic defects will continue: There is a fallacious assumption that once GST is implemented, it will lead to greater revenue generation, and a seamless indirect tax from the raw material stage to the point of last purchase will be a boon for everybody. Nothing could be further from the truth. Today, the fault is not with central excise or sales tax but the manner in which the laws are drafted or frequently amended retrospectively, the irrational and arbitrary administration of tax laws as well as the rampant corruption that exists in the department. It does not require any intelligence to realise that these systemic defects will continue with GST. Introducing GST in place of the existing excise duty and sales tax is like substituting two buckets with a large number of holes with a large bucket with the same total number of holes. The GST regime will be a failure as long as corruption, maladministration and arbitrary exemptions continue.

Heavy rates will lead to evasion: With the GST levels at 16-20 per cent, there is bound to be large-scale evasion. No housewife or common man, already battered by the high cost of fuel, electricity and other basic necessities, will be willing to pay 16 per cent tax at the retail level. The consumer is bound to purchase goods in cash and avoid payment of such tax. Internationally, the quantum of tax evasion is directly proportional to the rates of tax. It is shocking that all meetings and discussions on GST have forgotten this basic fact.

Procedural monitoring will become difficult: Implementing GST in a country with a population of one billion will require procedural monitoring at a staggering level. There is no indication of how the Central and state government employees are going to jointly administer it. What are the appellate mechanisms for deciding disputes? An enormous amount of paperwork will be needed to comply with the new regime of Central GST, State GST and IGST.

A New Year Gift

The best New Year gift that the Finance Minister can give to the nation is to formally drop the disastrous proposal to introduce GST and retain the existing system of central excise, service tax and sales tax. There could be a huge increase in revenue if certain structural defects in the existing tax system are attended to. Applying the 80:20 rule, 80 per cent of tax evasion in central excise and sales tax takes place in 20 per cent of industrial and commercial activities. The excise and income tax departments knows where there is maximum evasion but refuses to act. Precious time and energy must be spent on better execution of the existing laws rather than repeatedly introducing new statutes.

In most industries, businessmen prefer to abide by the law, but imposing high rates of taxes, together with complex and incomprehensible laws and an unfair and unjust attitude of the tax administration, drives honest businessmen to abandon the path of rectitude and evading taxes becomes a compelling temptation. Therefore, what is needed is not altering the fabric of taxation but ironing out the creases. ◆

The author is a Senior Advocate in the Madras High Court

PAPPACHAN muthoot FINCORP
www.muthootfincorp.com

Repaid my gold loan at my convenience.

I chose Muthoot Pappachan Fincorp's
SMART PLUS GOLD LOAN because
I can repay it in easy installments of 6 to 36 months

PAPPACHAN muthoot
Smart+ gold loan
EASY TO GET. EASIER TO REPAY.

*Conditions apply

India's first gold loan repayable in installments

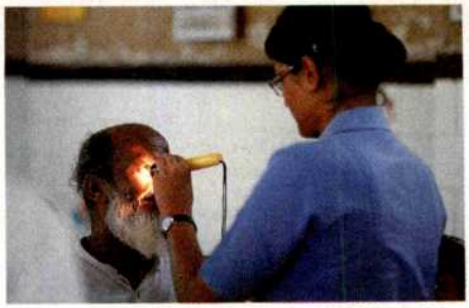
SMART PLUS GOLD LOAN

- Avail loan up to 90% of the value of your pledged gold.
- Annual Interest at only 12%*
- Personalised service, relationship managers waiting to take your call.
- Private meeting room at most branches.
- Minimum documentation and formalities, walk out with your loan in minutes.

Call your Smart Plus Gold Loan relationship manager today:

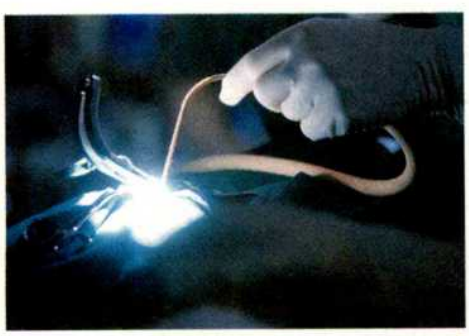
Andhra Pradesh : Hyderabad - 9246475653, Visakhapatnam - 9246628913, Vijayawada - 9849512384, Rest of Andhra - 9848147074. Delhi : Delhi (East, South) - 9873437330, West Delhi - 9716141678, North Delhi - 9716100145, Noida / Ghaziabad - 9716100145. Goa : 9225908852. Gujarat : Ahmedabad - 8866507801, Rest of Gujarat - 9909008709. Haryana : 9996461222. Karnataka : Bangalore - 9620550022 / 9986186660, Mysore - 9844177403, Mangalore - 9448636669, North Karnataka - 8095559001. Kerala : Calicut - 9349785199, Cochin - 9895057856, Trivandrum - 9745653789, Rest of Kerala - 9895125588. Maharashtra : Pune - 9689893453, Mumbai - 8097139532 / 9769670545. Punjab : 9501700221, Tamil Nadu : Chennai - 9500120424 / 9382716265, Salem - 9500120408, Coimbatore - 9500120443, Madurai - 9940966352, Pondicherry - 9940921772, Rest of Tamil Nadu - 9884049719 / 9788949995.

Toll-free : 1800 102 1616 | SMS 'EASY GOLD' TO 56161 | www.muthoot.com



Health Critical

India's consumption-driven middle class has a battle on its hands controlling blood sugar, cholesterol and fat even as it raises a toast to economic growth with cola and imported grog. In rural India, where liposuction is as alien as chicken pot pie, millions are struck down by diarrhoea, tuberculosis and pneumonia year after year. Need of the hour: Capitalism with compassion. In the next few pages, you will read tales of incredibly-driven entrepreneurs running immensely viable ventures that deliver specialised therapies upcountry in an affordable manner. Keeping more people healthy in the hinterlands is a compelling business proposition. Perhaps even more compelling than repairing an urban Joe's receding hairline



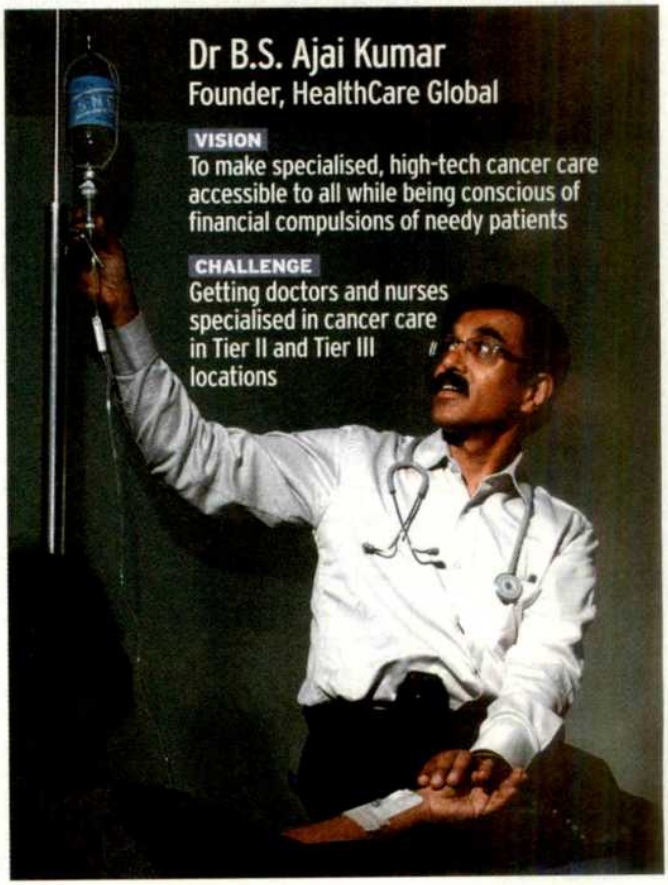
PHOTOGRAPHS BY VIVAN MEHRA/www.indiatodayimages.com

The Compassionate Capitalist

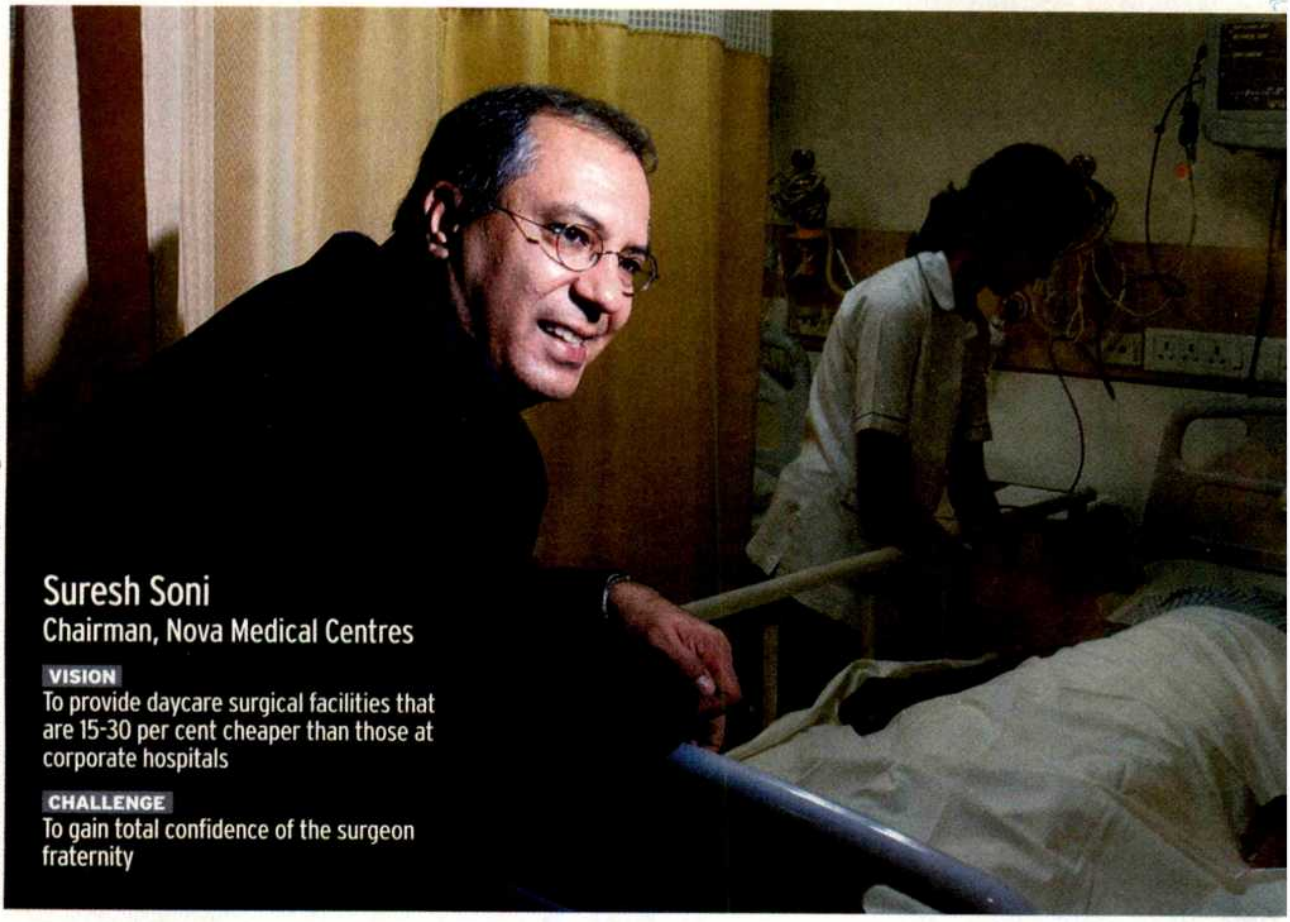
A doctor brings cancer care closer to those who need it most BY E.KUMAR SHARMA

An ideal business model in health care is one that is viable even as it seeps into all sections of society. Dr. B.S. Ajai Kumar may have just got it right with his specialised cancer care venture, HealthCare Global, a one of a kind hub-and-spoke model for cancer treatment. Set up in 2005, it has 20 centres in India, one in Laos and another in Uganda. Most of the India centres are in Tier II and Tier III towns. These treatment 'spokes' take care of most of the patients' needs — from basic diagnosis to surgery — whilst patient records and treatment are evaluated at its Bangalore headquarters. Dr Kumar's objective is to provide specialised, high-tech care even to patients who cannot afford it. HealthCare Global allows such patients to pay in equated monthly instalments based on their financial ability without any interest or collateral. Over 1,000 patients have availed of this scheme so far, says the company.

HealthCare Global expects to end the current financial year with ₹275 crore in revenues, up from ₹175 crore last year. Let's call this compassionate capitalism.



DEEPAK G. PAWAR/www.indiatodayimages.com



DEEPAK G. PAWAR/www.indiatodayimages.com

Suresh Soni
Chairman, Nova Medical Centres

VISION
To provide daycare surgical facilities that are 15-30 per cent cheaper than those at corporate hospitals

CHALLENGE
To gain total confidence of the surgeon fraternity

Stay Fit with Short Stays

Columbia Asia's hospitals aim to deliver what most of India needs: skilled and affordable care. **BY SHALINI S.DAGAR**

Affordable and accessible are the mantras for Columbia Asia, a chain of hospitals across India, Vietnam, Indonesia and Malaysia. In India, Columbia Asia has eight hospitals, typically 90-100 bed facilities at the value end.

Started in 2005, the community-based healthcare model targets the middle class and emerging towns. The intent, therefore, is to keep prices 15-20 per cent lower than what corporate hospitals in the metros charge. Columbia is able to do that by tightly monitoring the duration of stay and making efforts to keep it as short as possible driven, CEO Tufan Ghosh says, by investing in nursing care and technology. The chain is funded by a closely-held Seattle-based investment fund comprising 150-odd investors — both individuals and organisations.

As Columbia's focus is the non-metros, manpower availability is a key constraint that Ghosh foresees. Differing healthcare regulations in the states pose serious challenges. For instance, states such as Karnataka allow blood storage within the hospital, whereas in states like Punjab, Haryana and Delhi this is not permitted. Hospitals have necessarily to operate a full-fledged blood bank.

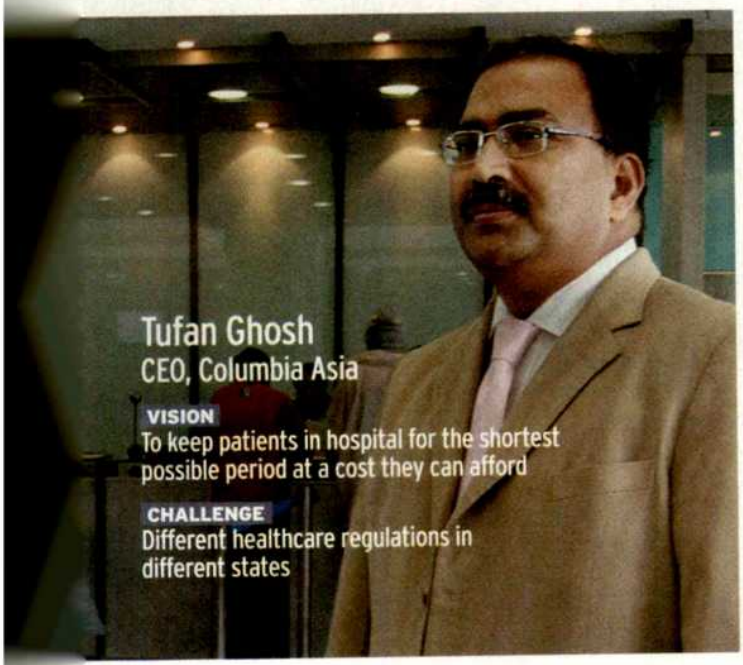
But the result is well worth the effort, as Ghosh looks for break-even in a year or two for each hospital.

Minimally Invasive

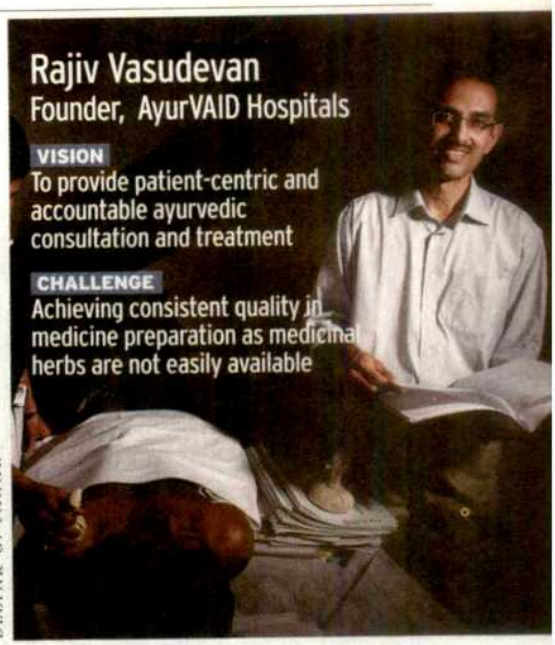
Nova Medical Centres focuses on making minor surgeries quicker and less painful on the pocket. **BY K.R. BALASUBRAMANYAM**

If you need to undergo a minor surgery — say, a cataract operation — you could make a trip to a hospital. Or, you could visit a Nova Medical Centre. The advantage, say the promoters of these multi-specialty daycare surgical centres, are: Lower costs, a faster turnaround time and a more patient-friendly environment. In May 2009, the first Nova centre came up in Bangalore and the second a year later. Nova has now expanded into the national capital region by opening its first centre in Delhi in October 2010. Nova plans to have 25 centres nationwide by December 2012; currently it has three.

Nova's model is innovative. Each centre typically partners with 40 investee doctors, who collectively pick up a 30 per cent share in the centre. Each gets 30-35 per cent of the package rate as his professional fee apart from his share of the centre's profits. Each centre is spread across a minimum 12,000 sq. ft. and has five operating rooms, 20 beds, a lab and a pharmacy. The cost of putting up such a centre: ₹10 crore. Break-even is targeted in eight months. Three surgeries per surgeon per month are required for the monthly break-even; an average surgery can cost ₹35,000, according to Nova Chairman Suresh Soni. He has obviously scoped and probed the potential in this market.



DEEPAK G. PAWAR



DEEPAK G. PAWAR

Just What the *Vaid* Ordered

An ex-banker is exploiting the potential in ayurveda. **BY NITYA VARADARAJAN**

After stints as head of Motorola's paging systems division, MD of a technology park in Thiruvananthapuram and as a banker, Rajiv Vasudevan went on to set up a venture in ayurvedic treatment and healing services with ₹20 lakh in 2005. He realised the potential in this system of traditional medicine, most of which has yet to be unlocked. Vasudevan's formula: create awareness; gain credibility by getting certified by the NABH or National Accreditation Board for Hospitals and Healthcare Providers; rope in health insures; and bring back the *Vaid*, or the ayurvedic practitioner. Result: the birth of the AyurVAID chain of hospitals in Kochi, Ernakulam and Aluva in Kerala followed by Bangalore and Hubli in Karnataka, and then Mumbai, in addition to an outpatient centre in Chennai.

Vasudevan is keen to dispel the notion that ayurveda is a systemic treatment like allopathy when, in fact, it is a holistic therapy and cannot be offered in bits and pieces. "My aim is to show the country and the world that ayurveda works as a very meaningful treatment," he says. And a great business opportunity, too.

DEEPAK G. PAWAR

No-frills Deliverer

Vaatsalya Healthcare has a no-frills model that does not compromise on quality.

BY E.KUMAR SHARMA

Low-cost airlines may not serve you a piping hot free meal, but because they charge less does not mean they compromise on safety. Similarly, Vaatsalya Healthcare's model of a no-frills hospital chain goes easy on add-ons like air-conditioners (at least in cooler places) and high-end televisions. But founder Dr Ashwin Naik insists that no-frills does not involve any compromise in quality treatment.

Vaatsalya Healthcare's hospitals — each with 70 beds on an average — are spread across 10 locations in Karnataka and Andhra Pradesh. Naik's no-frills thrust allows his hospitals to deliver a child at a cost of ₹6,000 against around ₹50,000 at top-end city hospitals.

Dr Naik plans to have 35 hospitals across 25 districts in three years and is in talks with private equity players to raise ₹50 crore to fund this expansion. Dr Naik says the model is already sustainable with 80 per cent of his 10 hospitals having broken even within a year and a half. Vaatsalya hopes to clock ₹35 crore in the year ending March 2011. Not a bad start for the good doctor who wants to make health care in small towns almost as accessible as pizzas are to city slickers.

Good Hair Day

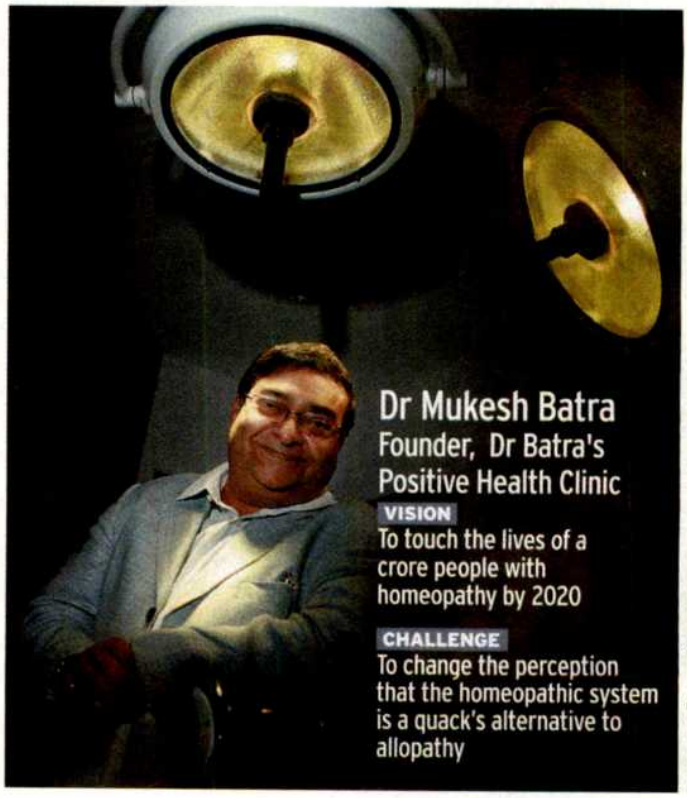
Dr Batra has homeopathic treatments for everything from constipation to baldness.

BY SHALINI S. DAGAR

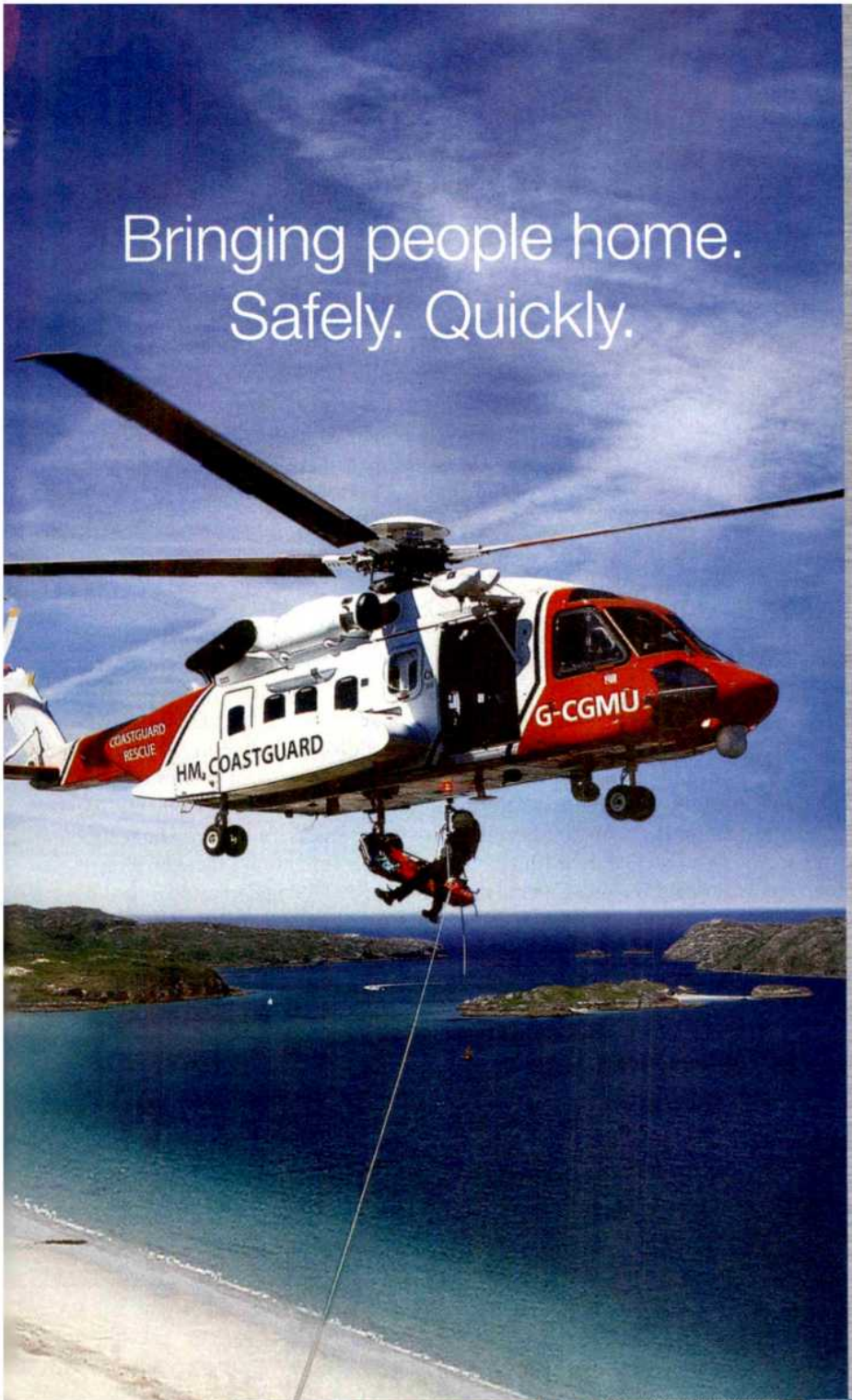
You may be tempted to accuse Mukesh Batra of suffering from delusions of grandeur when he declares: "Ours is a movement akin to Amul or Lijjat." However, more than scale, Batra's point is his chain could do for homeopathy what a cooperative movement like Amul did for milk distribution. "Before we came on the scene homeopathy was a cottage industry," adds Batra.

He has done well so far on the brand-building front. The network today consists of some 67 clinics across India, along with a presence in the United Arab Emirates and the United Kingdom.

If homeopathy is king for Batra, so is cash. He insists on upfront payments by patients, which allows his clinics to break even in two and a half months at the operational level. In return, the patients get a one-year appointment calendar, regular follow-ups and monitoring. Batra now plans to expand to 150 clinics by the end of financial year 2012. By 2020, he hopes to touch one crore people. That may seem ambitious considering that the cumulative registrations at the Batra clinics are just around 5.6 lakh currently. For the man whose clinics provide treatment options for diseases from constipation to sexual dysfunction, the Amul ambition perhaps is no delusion after all.



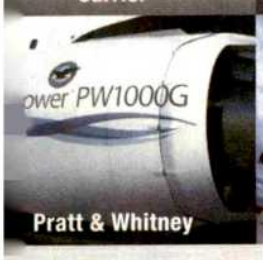
MONEY SHARMA/www.indiatodayimages.com



Sikorsky

One of the six businesses comprising United Technologies. In the past 10 years, Sikorsky helicopters have helped save more than 60,000 lives. That's why the first name in helicopters is the only name that matters when it matters most.

When it comes to a safer future for India, United Technologies will be there.



Six businesses.
One powerful company.

United Technologies

utc.com/india
TEL: +91 11 40881000

A Badly Needed Shot in the Arm

Health insurance that empowers the insured is the need of the day.

BY NITYA VARADARAJAN

SHEKHAR GHOSH

Trawl the web for information on health insurance in the United States and perhaps the first statistic that will hit you is that a 'record' 50.7 million Americans were uninsured in 2009. However, as per that data from the US Census Bureau, this constitutes just 16.7 per cent of the population. Then, Michael Moore's 2007 documentary *Sicko* highlights the apparent flaw in the US healthcare system — that insurers get rich as do drug makers, even as the common Joes and Janes get shortchanged.

In India, the problem is of a different kind: of underpenetration and not so much insurance fraud and red tape. Only some 2.8 million policies were issued to individuals along with another half a million floater policies (where the sum insured can be shared by family members) in 2009. The figures are as per data filed by third-party administrators, or TPAs, which are organisations that process insurance claims.

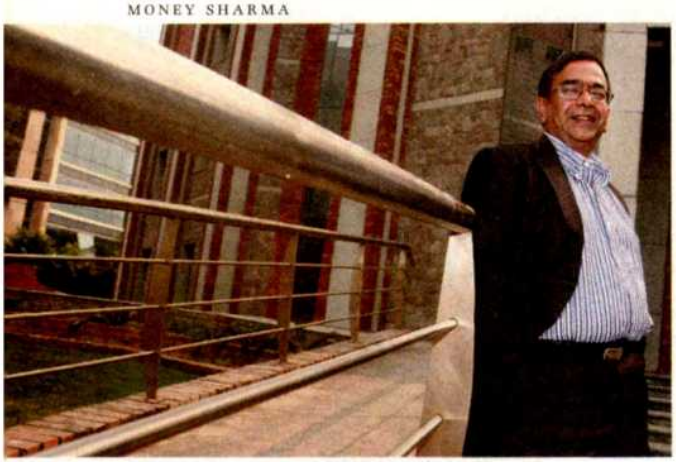
Not just that. In 2009 only 1.7 per cent of hospital admissions were reimbursed with the average reimbursement amount a mere ₹258 or 4 per cent of the average hospitalisation cost of ₹6,225.

According to R. Krishnamurthy, Managing Director at consulting firm Towers Watson, which has put together the above statistics, the need of the hour is pureplay health insurance companies. The good news, however, is that coverage is widening slowly but surely courtesy of the universal health insurance scheme which has been launched by several state governments since 2008.

Inflation in medical treatment costs is not a huge issue in India, although overcharging does happen. There are some signs of control with some insurers streamlining claim management procedures with their in-house doctors or with active collaboration between TPAs and insurers. Recently some public general insurers blacklisted certain hospitals that were suspected of overcharging. But as Kimsoon Chua, Chief Operating Officer of Bharti Axa General Insurance, says: "Today, demand for health care far exceeds supply. Hospitals do tell us that they can do without us (insurers)."

Regulating hospitals to ensure that they provide amenities that justify their charges can help in lowering costs. Chua talks of the Malaysian model where government and private hospitals co-exist. "This drives efficiency in the private sector," adds Chua. That's an ideal scenario, but in India, where the bulk of the population barely earns enough to make ends meet, public health financing will be a more viable option to private insurance for some time to come.

MONEY SHARMA



"Flood the System"

The mandate of the Public Health Foundation of India is to redress the limited institutional capacity in India for training, research and policy development in public health. **BT'S SHALINI S.DAGAR** *speaks to* **K.SRINATH REDDY**, *President of the* PHFI, *to understand how much progress has been made. Excerpts from an interview:*

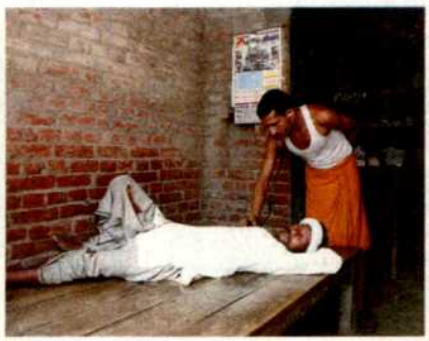
On the distance covered since the PHFI was set up in 2006

We have started addressing the gap in capacity both in terms of quality and scale: minuscule high-quality efforts

Oh! For an Ounce of Prevention

More than the best doctors and new medicine, the poor need safe and clean environments to stay healthy. **BY SHALINI S.DAGAR**

When English-American poet W.H. Auden famously said decades ago that "health is the state about which medicine has nothing to say", he was perhaps referring to the universal inequities in health. Such inequality is stark in India today. A burgeoning bulk of well-heeled city slickers benefits from progress in medical science when battling diseases triggered by sumptuous lifestyles. At the same time, the urban and rural poor cannot access simple interventions against infectious diseases like malaria and tuberculosis.



SHEKHAR GHOSH

At a time when developing nations are at the forefront of economic growth, their inferior health systems and poor infrastructure make those growth stories appear farcical. New-found access to procedures like liposuction and hair transplant look outlandish when juxtaposed with the millions who struggle for basic healthcare delivery.

So what explains the poor preventive capabilities and the skewed structure of healthcare delivery in one of the fastest growing economies of the world? A lot, actually. Consider: Less than 10 per cent of doctors practising modern as well as traditional medicine are available for rural health care; and 75 per cent of the available medical infrastructure is based in urban settings. This in a country where around 72 per cent of its population resides in rural areas.

Ratan Jalan, founder of Hyderabad-based Medium Healthcare Consulting, says in frustration: "Health care is not just hospital beds. All companies want to create monuments. At present, most have very short-sighted views. Look at what happened in hotels or airlines (where segmenting as per affordability has taken place) when a different kind of thinking was applied."

Drawn by the inequities in access, some healthcare firms have begun to think differently. Result? The buzzword "preventive healthcare" is being increasingly heard in corporate India. One example: Diagnostics laboratories chain Metropolis Healthcare, which is entering smaller cities and towns in its quest to prevent deaths from diseases like malaria because of late diagnosis.

"Forty per cent of cardiac patients die before they reach a doctor," says Amol Naikawadi, Joint Managing Director, Indus Health Plus, who is making prevention his business model. Indus, which provides high-end preventive health care, hopes to lower costs by as much as 50 to 70 per cent for some tests by gaining economies of scale. For his efforts, the finance and accounts executive-turned-health entrepreneur closed 2009-10 with a turnover of ₹60 crore and profit margins of 9-10 per cent.

However, private enterprise alone will not be sufficient. And entrepreneurship will look more convincing if Naikawadi and his ilk can do their bit to alter the skewed structure of healthcare delivery.

---

cannot change the scenario. You have to flood the system. Within four years we have set up four Indian Institutes of Public Health in Delhi, Hyderabad, Gandhinagar and Bhubaneswar.

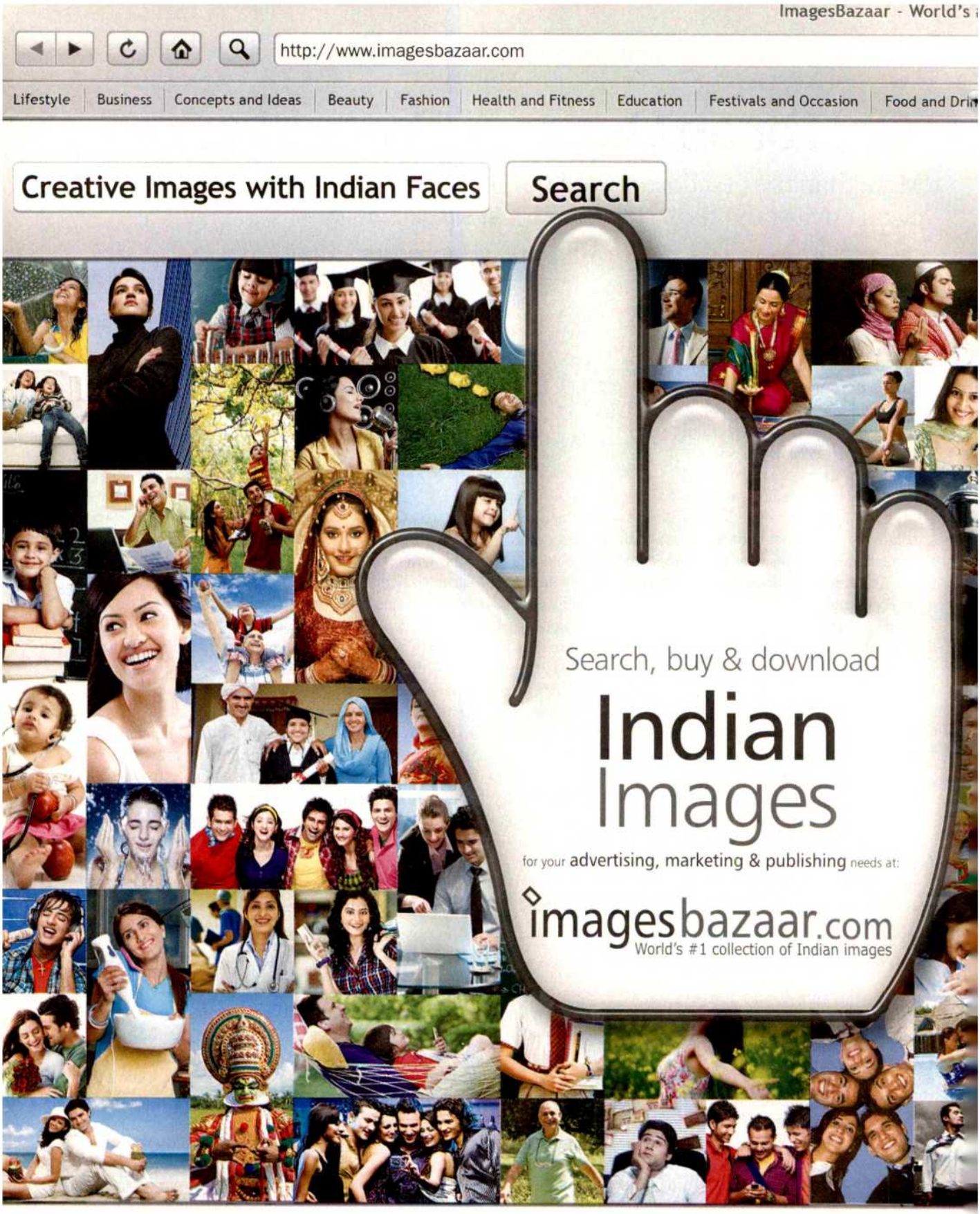
We are partnering with the government of Madhya Pradesh to start a diploma course in public health management in Gwalior. We have a large number of research programmes spread across the country where we are doing policy and programme-relevant research. We are looking at areas such as tobacco control, HIV/AIDS, maternal and child health.

On whether the PHFI has adequate influence and impact on policy

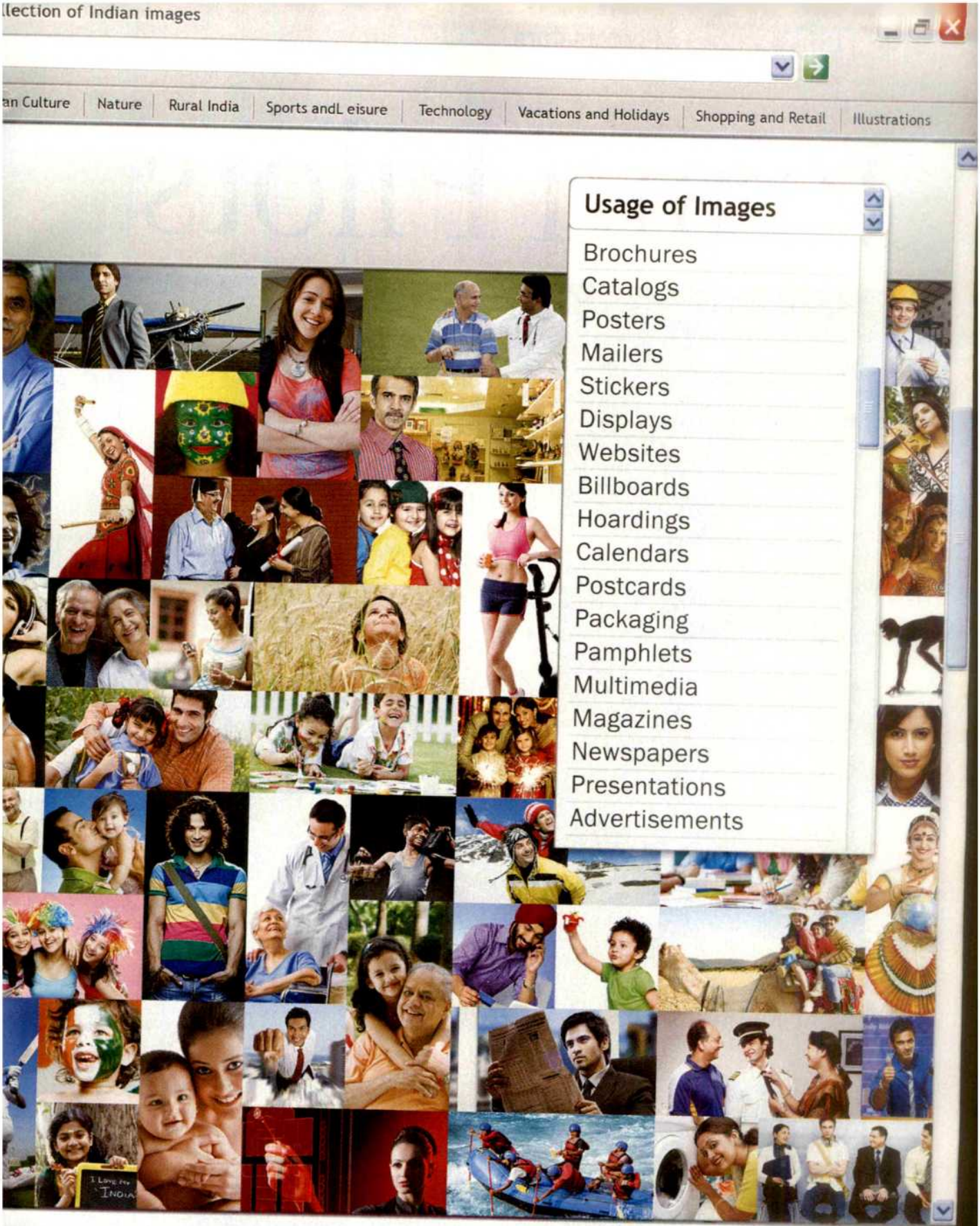
We act both as enablers for the government and as independent experts offering advice. For example, the high-level expert group on universal health coverage set up by the Planning Commission has the PHFI as its secretariat. We are pursuing excellence and relevance.

On whether the PHFI has access to adequate funds

The initial commitment of ₹65 crore came from the government with a matching contribution from the Bill and Melinda Gates Foundation; roughly ₹120 crore was committed by private donors, about 80 per cent of which has been realised. We are looking to raise over ₹400 crore in the next round over the next two years. ◆

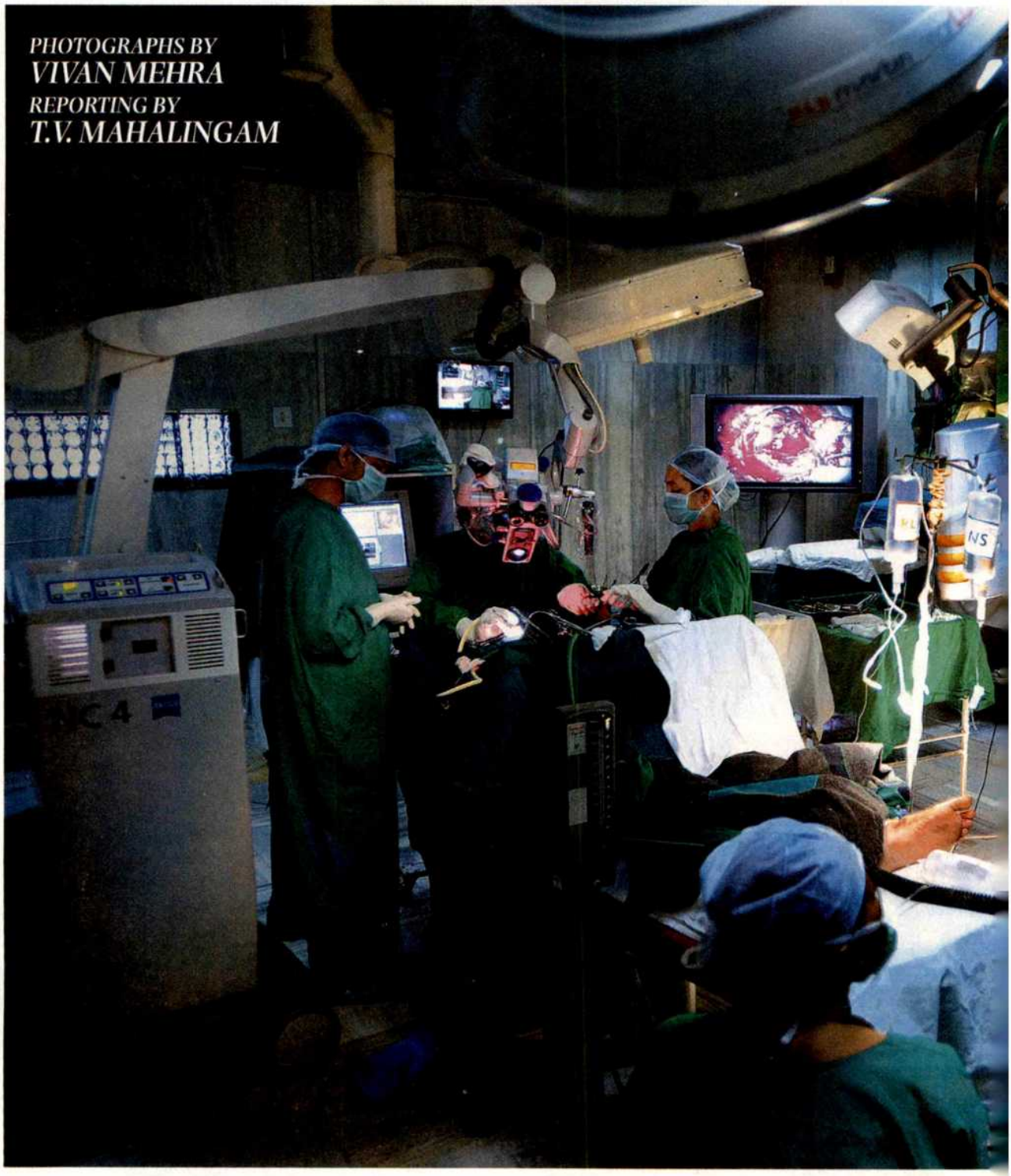


ImagesBazaar provides a one of its kind online resource for searching, purchasi
ImagesBazaar is the World's largest collection of creative images with Indian fac
images for their **advertising, marketing and publishing** needs. Log on


llection of Indian images
an Culture
Nature
Rural India
Sports andL eisure
Technology
Vacations and Holidays
Shopping and Retail
Illustrations
Usage of Images
Brochures
Catalogs
Posters
Mailers
Stickers
Displays
Websites
Billboards
Hoardings
Calendars
Postcards
Packaging
Pamphlets
Multimedia
Magazines
Newspapers
Presentations
Advertisements
I Love My India
downloading exclusive Indian images. With over 900,000 images,
resent, over 7000 clients in more than 45 countries are using our
v imagesbazaar.com today!

Brain Pilots

PHOTOGRAPHS BY
VIVAN MEHRA
REPORTING BY
T.V. MAHALINGAM



How neurosurgeons at a government hospital deliver high-tech care comparable with the best in the private sector but at a fraction of the cost

This is not the operating theatre at a private hospital. You are unlikely to spot flower vases in the wards of the King Edward Memorial (KEM) Hospital in Mumbai. It's like any other government-run hospital — crowded and noisy. But the Department of Neurosurgery and its three operating theatres are another matter.

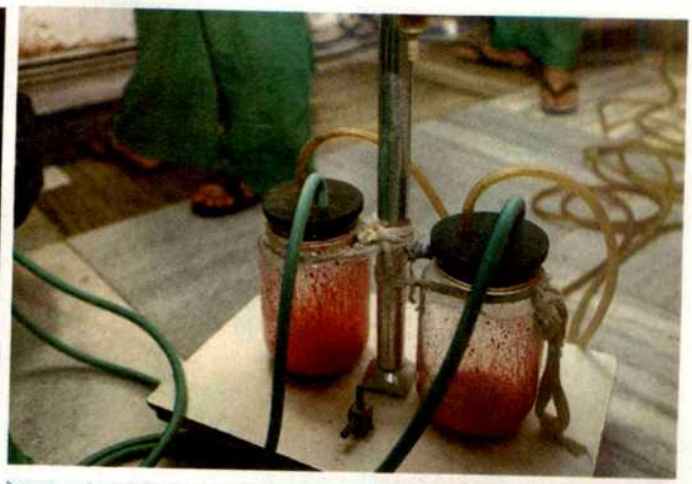
On any given day, half-a-dozen neurosurgeons perform six to eight surgeries. At KEM, the waiting period for neurosurgery is just 48 hours, compared to a couple of years at the All India Institute of Medical Sciences or AIIMS in Delhi, the country's premier government-run institute.

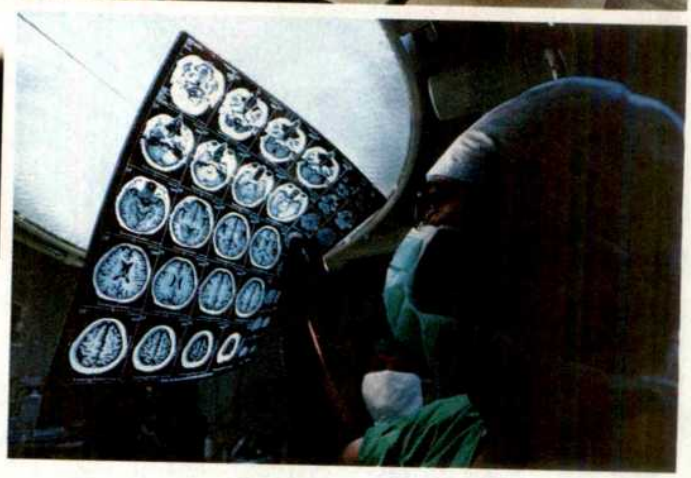
The department has the latest technology but even the most complex brain surgeries cost less than ₹15,000 here, compared to lakhs in private hospitals. Of course, Mumbai's civic body pays for the upkeep and the staff, and the hospital does not have to charge commercial rates for its facilities.

KEM surgeons make far less than their private sector counterparts — a neurosurgeon with over 20 years of experience earns around ₹1 lakh a month against over ₹5 lakh in top private hospitals.

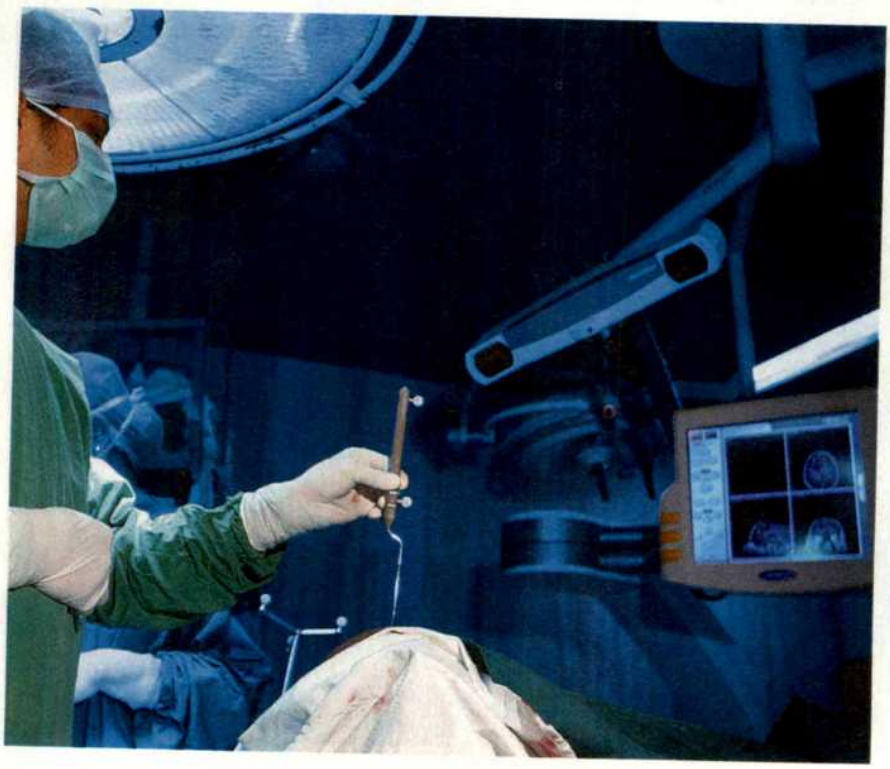
BT spent two days in the operation theaters of KEM's neurosurgery department and this is what we saw.

Carl Zeiss operating microscopes – each costs between ₹60 lakh and ₹1 crore – are used to peer inside the human brain. Video cameras record the surgery as study material for interns.

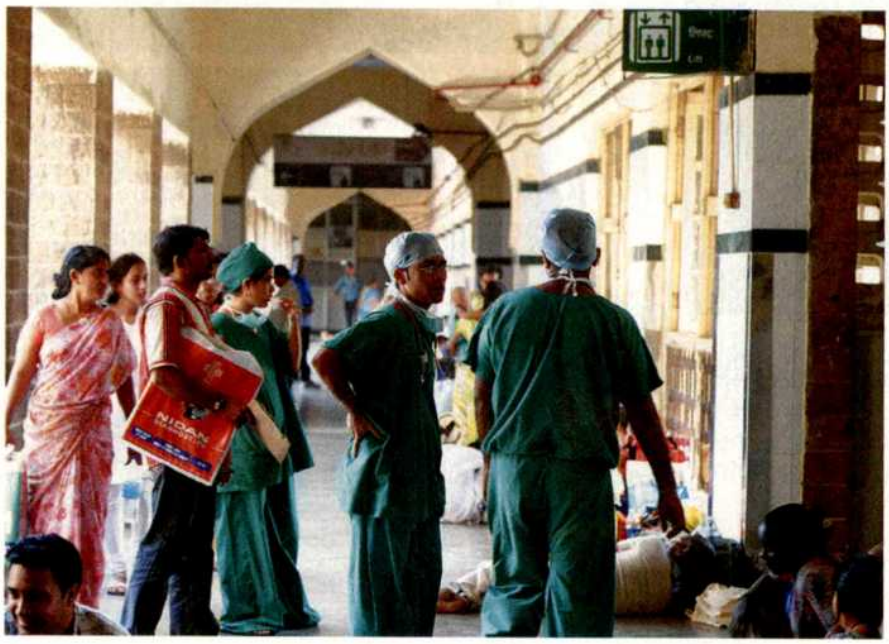




Clockwise from top left: Removing tumours of the size of a golf ball is quite common. Brain surgeries are intense affairs; doctors work in shifts in complex surgeries. Patients are not charged for the use of the operating theatre, anesthetics and the surgeons' fees.



In a neuronavigational surgery, computers help plot the shortest and safest path to the problem area in the brain. An MRI is used along with a neuronavigation suite (which costs almost ₹1 crore) to do so. Like a doctor explained, it's a bit like charting a spacecraft's path through space but the difference is that, inside the brain, every millimeter counts. Only a handful of Indian hospitals boast of such a suite.



From top: A country of over a billion has only 15,000 neurosurgeons. KEM treats 1.8 million outpatients each year. It is a hub for complex neurosurgical procedures in the western region of the country. Every year, nearly 400 children undergo neurosurgical procedures at KEM. Patients are woken up within half an hour of surgery. Most are fit to be sent home in a day. This helps keep costs down.

Fashion Express

To create fashion, you rely on specialists every step of the way. To meet deadlines, shouldn't you do the same?

The samples must reach on time or you run the risk of losing out.

Which is why TCI XPS offers you customized express delivery solutions of the highest professional standards by leveraging its experience, national and global network with connectivity through Air, Road & Rail and state-of-the-art infrastructure.

- Door-to-door service
- 13,000 delivery locations across India
- State-of-the-art tracking system
- 550 computerized offices
- A workforce of 3000 people
- International deliveries to 203 countries

MONEY BACK GUARANTEE

Conditions apply

Assured delivery within 24 and 48 hours to a choice of 150 locations across India – or your money back!*

TCI XPS

EXPRESS DISTRIBUTION SPECIALISTS

Air | Courier | Surface

A Division of Transport Corporation of India Limited

IATA | TÜV

Only Express Company in India to be IATA and ISO Certified

Toll Free No. 1800 1800 977

www.tcixps.com email: info@tcixps.com

Gujarat is India's new factory hub, a Narendra Modi

KAPIL

game plan that could vault it ahead of other states

Supersize Gujarat

BY ANAND ADHIKARI

At the Bombardier Transportation factory near Vadodara, five robots, towering 15 feet and more, and dozens of workers are at work on the newest assembly line of the world's biggest train-maker. Work that begins each morning with a structural frame and wheel assembly ends the day with clinical efficiency in a new metro rail coach ready to be shipped.

The Bombardier factory, at Savli, has reasons to be fast: it is scrambling to complete a 424-coach order by Delhi Metro by October 2011. Savli, the company hopes, will be a production hub for India and the region — Thailand, the Philippines and Indonesia — as more cities opt for urban rail networks.

Bombardier's pace of work in Gujarat predates its factory, when it was scoping Indian locations for a factory site. It had factories in Qingdao and Changchun in China but they were joint ventures. Bombardier wanted full ownership of a unit in India, which would the 25th on its global network of manufacturing locations. Competing with Gujarat were Uttar Pradesh and Haryana, followed by Hyderabad, where the Canadian major had been present with an engineering unit for about seven years. Gujarat was on the list as Bombardier had been running a software centre at Vadodara since 2003.

As discussions started on infrastructure and the possibility of making the plant a production base for other markets, the land-locked states around Delhi went off the drawing board. Andhra Pradesh did not score high on critical parameters.

"The balance finally tilted in favour of Gujarat. Apart from the (Mundra) port, the railway track connecting Delhi was right behind the proposed factory area," says Rajeev Jyoti, Bombardier Transportation's Managing Director in India. What sealed the deal was the local vendor ecosystem — the company today has about 60 suppliers near Savli.

The decision made, Bombardier saw the Gujarat administration swing into action. It allotted the land in a week and the company built a 160,000 sq. m. factory in 18 months flat. When Bombardier noticed that the road connecting the factory to the Ahmedabad highway was uncomfortably narrow for transporting coaches, the government widened it in quick time. "It was a record breaking experience in Bombardier's 100-year history," says Jyoti.

The Gujarat Buzz

Asutosh Shah, India Managing Director for Duravit, a German luxury sanitaryware brand, says environment clearances for its Tarapur plant in Anand came through registered post in eight weeks. Such approvals in other states can take months despite active lobbying and follow-ups. Industries Minister Saurabh Patel recalls how Tata Power Managing Director Prasad Menon called on him a year ago without an appointment. Menon, who was meeting Patel for the first time, had come to thank the minister for the government's support in moving ahead with the Mundra ultra mega power project. "'Nowhere in the country has it happened that we have not had to meet an industries minister or chief minister to move on a ₹15,000 crore project,' he told me," says Patel. Menon did not reply to requests for comment.

The secret ingredient, says Shah, is a state administration that methodically divides investment proposals from its biennial Vibrant Gujarat summits region-wise and follows up with regular meetings with the local collector and industry department. The state has received proposals worth $370 billion (₹16.65 trillion) at the summits to date, with some $240 billion (₹10.8 trillion) coming in 2009. Others such as Karnataka have hopped on to the schmooze bandwagon with the Global Investors Meet in June 2010 netting some $85 billion in investment proposals. Other states such as Haryana, Uttar Pradesh and Uttarakhand, too, are not behind in the competitive investment game.

Boardrooms across Corporate India are buzzing with what many call the Gujarat experience. Tyremaker Ceat has set up a plant in Halol to make radial tyres. Says Anant Goenka, Ceat's Deputy Managing Director, "You just can't take your eyes off Gujarat." So much so that some of Gujarat Chief Minister Narendra Modi's most bitter critics have set up shop in the state. Next to Bombardier's factory is a Thermax plant, and the Pune-based boiler manufacturer is thinking of another one at Jhagadia, north of Surat. Thermax Director Anu Aga, whose family controls the company, was one of the few from Indian business to criticise Modi after the Godhra riots early in 2002. (See *Those Riding the Gujarat Wave.*)

The speed of government in

The speed of government and continuity of policy coupled with top-notch infrastructure has the state accelerating on new investments

Gujarat and continuity of policy — Modi is the longest serving chief minister of the state — and its infrastructure has the state accelerating on new investments. "Gujarat scores over other states because of reliable power supply, availability of natural gas, water from the Narmada canal and proximity to ports for importing raw materials as well as exporting finished goods," sums up Goenka.

Modi's critics grudge the attention his government is getting, labelling it marketing spiel. "Gujarat has always been prosperous and on the top of the investment charts," says the Congress Party's Saktisinh Gohil, Opposition leader in the state legislature, citing groups such as Reliance Industries, Essar and General Motors investing in the state much before Modi became chief minister in 2001.

Advantage of Centuries

Gujarat has always been a relatively prosperous and economically progressive state. For centuries, it was home to some of the world's richest traders. As a state, it has had the benefit of being close to Mumbai, host to oil and gas pipelines and private ports, home to a dairy movement, and getting remittances from Gujaratis overseas. The high growth in agricultural output can be argued as one of lucky timing for Modi. The push for check dams, water harvesting and micro irrigation, which has resulted in an increase in arable land and agriculture productivity, was seeded by previous administrations. It is also not incorrect to argue that Modi is just doing what every administration should to: create infrastructure, lay out transparent procedures and live by them, be accountable, be a market maker for jobs, judge bureaucrats by performance and minimise mandays lost to strikes.

PHOTOGRAPHS BY UMESH GOSWAMI

A robust vendor ecosystem sealed the deal for Bombardier Transportation in Gujarat

Even by those yardsticks, what works for Modi — and splendidly for Gujarat — is the proactive nature of government. Take the much-written about Tata Nano project. In the weeks running up to October 2008, when Ratan Tata decided to pull a half-built Nano factory out of Singur in West Bengal, Modi and his team were preparing a strong pitch for a shift to Gujarat. No sooner had the company made its decision to leave West Bengal official, than Modi sent a one-word text message to Tata's mobile phone. *Suswagatham*, or welcome in Sanskrit, it read. It took just 14 months for the first Nano car to roll out from a new factory at Sanand, 40 km west of Ahmedabad; the Singur project had been in the works for 28 months. A joint venture Bharat Forge has with France's Alstom for power equipment has shifted to Mundra from West Bengal, too. "The process is very straightforward and transparent," Baba Kalyani, Chairman of Bharat Forge, says of Gujarat.

Still, the Nano experence showed the Gujarat government a big gap in its value proposition to businesses: missing skills in its people. Tata Motors wanted local manpower as one of the conditions to set up shop in Sanand, says a state official. The government offered a guarantee if the Tatas would partner in training. Today, 870 youth from a 10-km radius work at the Nano factory.

In industrial area Dahej, the government is training 150 young locals whose families had their land acquired. It is spending ₹70,000 per

Those Riding The Gujarat Wave

Ford Motors is scouting for a location near Sanand where Tata Nano has a facility

Motorcycle major Hero Group has its eyes on the state for setting up its fourth plant

Korean carmaker Hyundai Motors is scoping locations for its next plant in India

Maruti Suzuki is toying with the idea of setting up an export factory in the state

Hospitality majors Hyatt and Kamat Hotels want to set up hotels and resorts

The Missing Picture

No presence of software and back-office companies or financial service firms

Domestic market not big enough vis-à-vis other states

Petrochemicals still dominates the state's output

Not rich in minerals such as iron ore, aluminium, uranium etc

Lacks higher education institutes, R&D and innovation

Migration of Gujaratis continues to Mumbai and abroad

A missing second line of political leadership after Chief Minister Narendra Modi

person for two years along with a monthly stipend and accommodation. "We are replicating this model elsewhere in the state," says Arvind Agarwal, Vice Chairman and Managing Director of Gujarat Industrial Development Corp.

Gujarat next is working on what Maheshwar Sahu, Principal Secretary for Industries and Mines, calls "industrial responsive manpower". The government wants to work with corporates setting up plants to train youth in welding and fittings, besides mechanical and electrical works. "This increases the comfort of a corporate house," says Sahu. In the state budget for 2010-11, the government earmarked ₹24 crore to train 100,000 youth through 150 village-cluster training centres.

But, for all the mileage the media-savvy Modi and his team gives the state, Gujarat cannot shed the image of a state in which businesses don't offer equal opportunity to minorities. A dominant Hindu majority runs almost every business, with Muslims pushed to the economy's fringes. Muslims make up 9.1 per cent of the state's population of 50.7 million. There are no consolidated reports, but anecdotal evidence suggests high levels of exclusion in the private sector, especially at entry- and mid-level white-collar jobs.

Hanif Lakdawala, founder of Sanchetna, a human rights organisation that works on urban issues, says it is very difficult for young Muslims to get jobs in the private sector in Gujarat today. "In many of the new malls that have come up, you will see boys and girls with Dalit backgrounds being employed, but not Muslims," he says. The minority is pushed to jobs such as door-to-door sales agents and roadside vendors.

If one reason for this is low literacy levels in the Muslim community, Lakdawala points to how businesses owned by Chiliya Muslims, an enterprising sect owning shops and restaurants, were virtually wiped out in the Godhra riots. Bank loans to Muslims are disproportionately small compared to the deposits they hold, he adds. The effects of such exclusion of minorities from the workforce are difficult to map but does dim the shine of Gujarat's achievements.

Cuts Both Ways

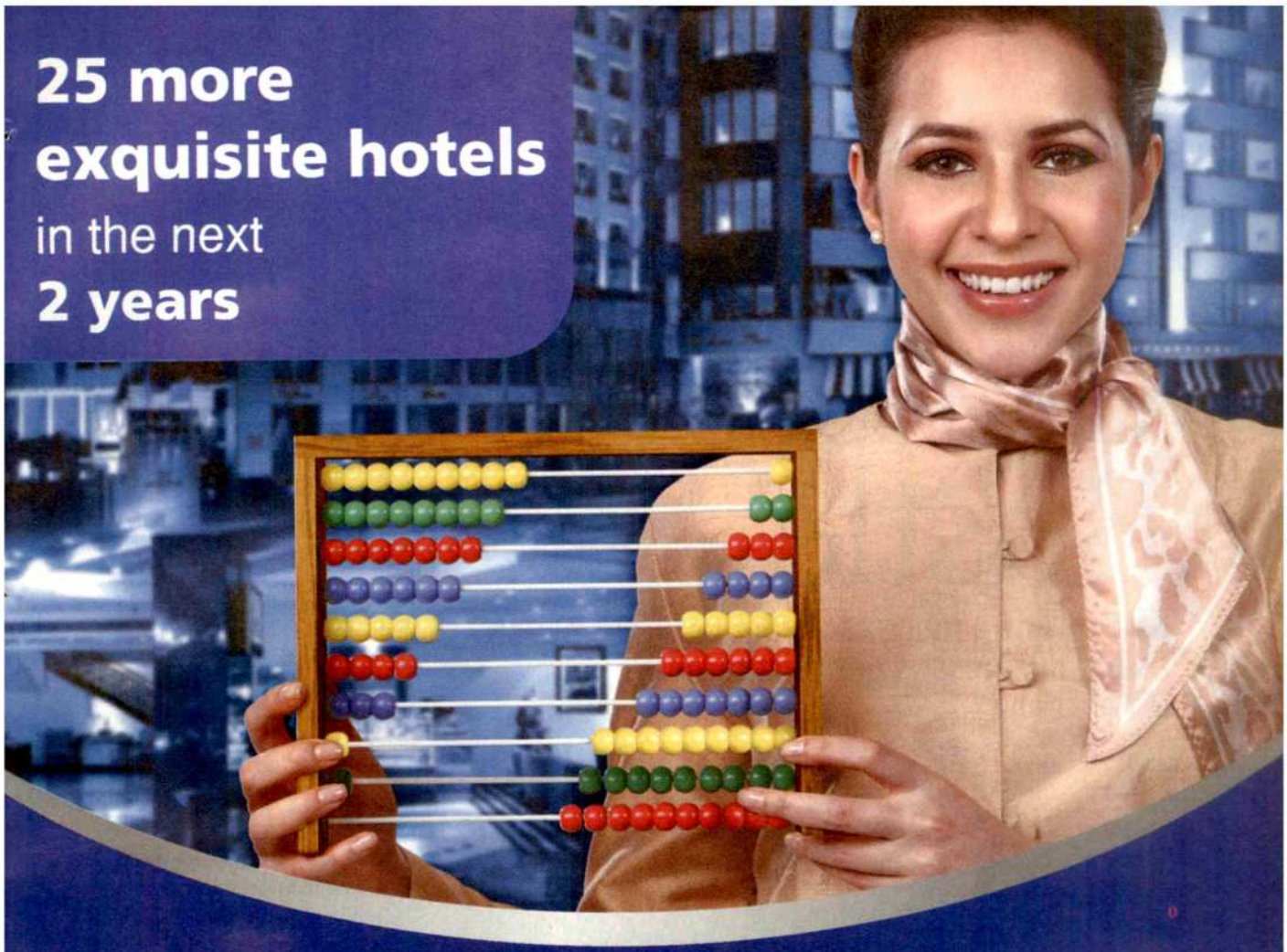
As land for industrial use becomes scarce across India — from Orissa to Haryana, from West Bengal to Karnataka — Gujarat sees an opportunity to overtake other states and, in November, unveiled a new land acquisition policy. It factors in market prices for land, consent of farmers, a share of profits of industry for farmers, a small commercial plot, and employment to a member of each family from which land has been acquired. "It becomes much easier to attract investments if the fruits of industrialisation are shared with landowners and farmers," says minister Patel.

The policy dovetails with Gujarat's ambitions for its special investment regions — Godzilla-sized industrial sprawls spread over 100 sq. km that will dwarf traditional industrial estates with incentives like zero income tax and excise duties thrown in. Think Shenzen or Hainan special economic zones in China for scale. The government plans 13 such regions, several lying along the proposed high-speed Delhi-Mumbai Dedicated Freight Corridor.

More than one-third of the corridor passes through Gujarat and the government is making big bets that it will power its industrial economy. Business leaders across India agree that manufacturing will be the next big wave in the Indian economy. Gujarat, among Indian states, is best positioned to be on the crest.◆

ADDITIONAL REPORTING BY K.R BALASUBRAMANYAM

25 more exquisite hotels in the next 2 years



SAROVAR HOTELS & RESORTS

Come discover the signature hospitality experience with one of India's fastest growing hotel chains

In just a few years, Sarovar Hotels & Resorts has covered more destinations across India, than any other hotel chain. A pioneer in turnkey hotel management and value-enhanced hospitality, the Sarovar chain is today pursuing expansion at an accelerated pace, unprecedented in the Indian hospitality industry. Watch out for the new chapters in the Sarovar success story...

SAROVAR PREMIERE

SAROVAR PORTICO

Kometel

54 Hotels & Resorts

39 Destinations Across India

25 New Hotels Opening Soon

SAROVAR
HOTELS & RESORTS

SAROVAR HOTELS PVT. LTD.
Mumbai: (022) 6156 5757 New Delhi: (011) 2638 3851-55

www.sarovarhotels.com Toll Free Reservations: 1 800 111 222 sms SAR to 56677

enzcomm.com

Grassroots Bustle

SMEs want a more caring government even as big businesses get pampered.

BY RAJIV BHUVA

PLOUGHING AHEAD: Maganbhai Patel, MD, Captain Tractors wants to grow ten-fold in five years

UMESH GOSWAMI/www.indiatodayimages.com

Mohandas Karamchand Gandhi spent his adolescent years in Rajkot and even held a *satyagraha*, or a non-violent protest, there in 1939. But the legacy from those years enduring in the city is not that of the father of the nation but that of a decision by a small firm, Patel Mavji Kanji and Co., to import a German diesel engine and reverse engineer it.

What began with diesel engines in the 1940s spread to forgings three decades later and machine tools in the 1980s. Rajkot today is estimated to account for 70 per cent of India's forging business and caters to four-fifths of the forging needs of the country's auto industry. The city of some 3.2 million is home to around 400 diesel engine makers and another 700 ancillary and component units.

In recent years the virtuous effects of such a cluster are fanning out in Rajkot, some 250 km southwest of capital Gandhinagar. Companies such as Pune-headquartered Kirloskar Oil Engines, in 2007, shifted a factory to Rajkot to be closer to its component suppliers. And, as the local industry starts making more precision-intensive components, global customers are coming calling. Aircraft maker Boeing Co. today sources bearings from a city supplier.

Rajkot companies such as Captain Tractors, a mini tractor maker, are riding high on the fast-growing agriculture demand in the region. Having started manufacturing mini tractors of up to 12 horsepower way back in 1998, the company now has an installed capacity of 3,500 tractors a year. Its Managing Director Maganbhai Patel is keen to grow the business ten-fold in five years and is confident that the capacity will be supported by local vendors. "Sixty per

cent of my tractors' components come from within Rajkot," he says.

But peel the onion a little and a different picture emerges. There is discontent on the ground that the state administration has done little to grease the cogs of the small and medium enterprise, or SME, eco-system even while moving decisively on big infrastructure projects in roads and ports — mostly helping large businesses. "Government support is not making any direct impact on businesses and their growth," grudges a machine tool manufacturer.

To understand why such angst is significant, look at the numbers: about one-sixth of India's manufacturing revenues come from Gujarat, a big chunk of which have local SMEs as their source. SMEs account for about one-third of exports from the state and employ more than 60 per cent of industrial workers there. Large sections of the state's SME universe believe they are delivering short of their potential.

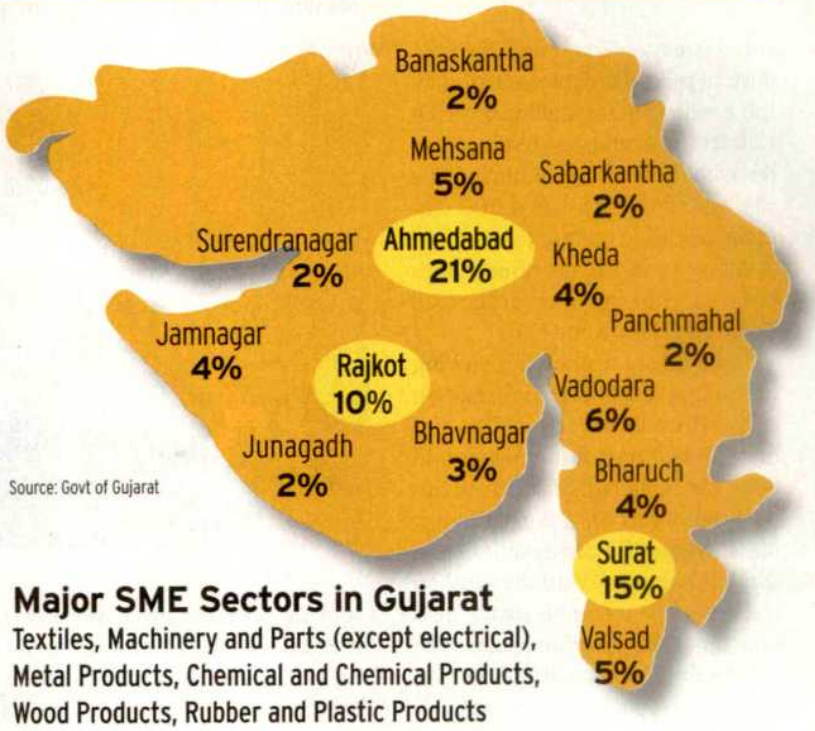
"Infrastructure development closer to industrial areas is critically required," says Ashwin Mehta, proprietor of Premier Engineering Works in Rajkot. The Shapar-Veraval industrial area, spread over a 15 km radius is one such example. Over 1,550 units in the industrial belt paid ₹136 crore in excise duties last year but the potholed roads there slow any movement and the area lacks proper drainage systems.

Abysmal roads is one thing, an unresponsive leader is quite another. An attempt to bring the poor state of infrastructure to the attention of Chief Minister Narendra Modi has borne no fruit. The Shapar-Veraval Industrial Association, which has 658 members in its fold, wrote to Modi's office in August, requesting time to present the problem. "It has been four months and we are still waiting to get an acknowledgement," says Ashish Navapara, an office bearer of the association. Anecdotal though, a letter from the association, a few weeks ago, seeking a letter from Modi to be printed in the members directory got replied to in a week. The conclusion locally: the chief minister's office is more interested in publicity than in fixing problems.

At the policy level, to be sure, changes in the industrial policy in 2009 reflect a stronger than before thrust on SMEs. There is work on the ground on cluster development along with sector specific development initiatives. Also proposed is a package focused on zero defect manufacturing, 'Made in Gujarat' branding and development of skilled manpower, adding muscle to a policy that promises interest subsidy and R&D support. Add to this the Gujarat advantage of uninterrupted power, sweeping highways, a state-wide gas network and access to 41 ports on its coastline, and it may be tempting to conclude that the state's SMEs are a pampered yet complaining lot.

But 460 km southeast of Rajkot in Surat, one of India's richest cities by per capita income, a pattern of

SME Hotspots in Gujarat



Source: Govt of Gujarat

Major SME Sectors in Gujarat

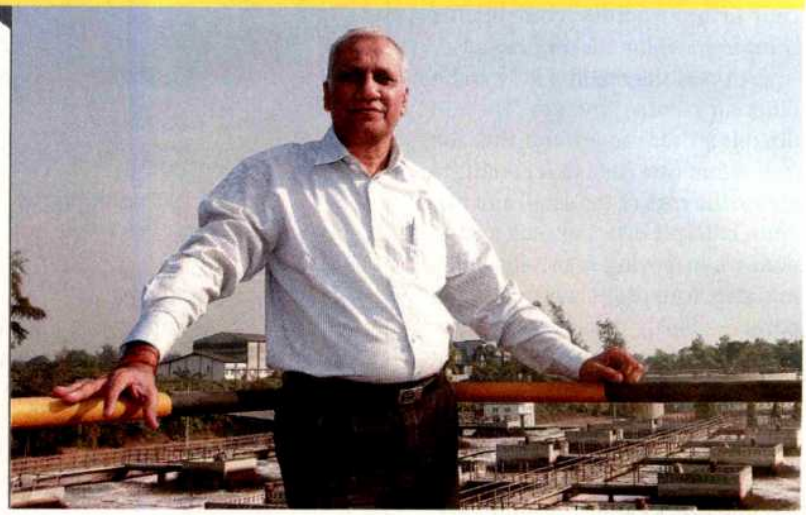
Textiles, Machinery and Parts (except electrical), Metal Products, Chemical and Chemical Products, Wood Products, Rubber and Plastic Products

Incentives for SMEs

- Interest subsidy
- Support for technology upgradation
- Sponsored research subsidy
- Quality certification
- Marketing support
- Common facility centre

"The policy focus on value added products is keeping pharmaceuticals and chemicals slightly away"

Mahesh Pandya, President, Vapi Industries Association



RACHIT GOSWAMI

ennui emerges. The state's 2009 industrial policy listed the need to establish jewellery parks, hallmark certification centres and gem testing facilities with the ambition of making the city, which counts over 4,500 diamond polishing units, a value-added destination in the precious stones business, chipping away at the lead China and Hong Kong have.

Sourcing of diamonds is proving to be a hurdle, however. In October, a consortium formed by 1,500 diamantaires, Surat Rough Diamond Sourcing India Ltd, or SRDSIL, to import diamonds on a consignment basis, where the ownership of the diamonds remains with the supplier, has not made much headway. "It is now up to the government to make policies flexible for such initiatives to take off," says Aagam Sanghavi, Director at Sanghavi Exports. He insists that Gandhinagar lobby with New Delhi on this, else SRDSIL, in the absence of this flexibility, will end up with unsold stock as it cannot be shipped back to suppliers.

Elsewhere in Surat, once known as the 'Manchester of the East', the textile industry is feeling the pinch in its journey to value addition. The sound of power looms and smoke emitting chimneys are a common sight in the city that supplies 90 per cent of the total polyester used in India.

Changes in the 2009 industrial policy reflect a stronger thrust on SMEs. But angst on the ground suggests SMEs are missing the bus.

For the Surtis, research or development in textiles has never been a strength with industry insiders blaming the lack of such investment on low margins in the business. "Most of them do job work with no or minimum value addition," says Ajoy Bhattacharya, President of The Southern Gujarat Chamber of Commerce and Industry. Then, says Pramod Chaudhary, Managing Director of Pratibha Group, which has interests in textiles, there is always concern over the exclusivity of research in the business. The demand across the industry is for government intervention in the form of R&D and cluster support.

Further south of Surat, the mood is sombre at Vapi, the chemical hub of Gujarat. The district has come out of the World's Most Polluted Places list compiled by New York's Blacksmith Institute as also from a listing of 43 industrial areas in India on an eight-month moratorium for environmental clearances by the Centre, but the stain remains. "The (state's) policy focus is mainly on value added products and that is keeping pharmaceuticals and chemicals slightly away," says Mahesh Pandya, President of Vapi Industries Association (VIA).

The way Vapi is cleaning its act is evident in the expansion of a common effluent treatment plant into the country's largest by capacity — 70 million litres a day (mld) — with a target of further capacity addition to 85 mld in two years. Also on the drawing board is a ₹108 crore plan to acquire land for hazardous waste management and related activity, says D. C. Sharma, Chief Executive at Vapi Waste & Effluent Management Co., a not-for-profit company floated under the aegis of VIA.

Clearly, a conducive policy environment for business or not, SMEs in Gujarat want to move on ahead. ◆

Windows®. Life without Walls™. Dell™ recommends Windows 7.

The power to do more

Designed for your business. Built for the way you work.

The Vostro™ 3400 combines next-generation Intel® processors and comprehensive security options in a strong, smart-looking 14-inch laptop for small business.

Vostro™ 3400

₹36,990** Inclusive of Delivery

E-Value Code: T520912IN8

- Intel® Core™ i3-370M Processor
- Genuine Windows® 7 Home Basic*
- 3GB DDR3 SDRAM • 320GB* SATA HDD with Free Fall Sensor
- 14" Wide HD LED Display with Anti-Glare
- Trend Micro™ Worry-Free™ Business Security Services (15 months)
- 1-Year Limited Warranty: Next Business Day On-Site* Service

Recommended Upgrade:
3-Year Limited Warranty: Next Business Day On-Site* Service - ₹4,779

Optional colour shown, silver is standard, additional cost applies depending on selected configurations.

Vostro™ 3300

₹35,990** Inclusive of Delivery

E-Value Code: T520904IN9

- Intel® Core™ i3-370M Processor
- Genuine Windows® 7 Home Basic*
- 3GB DDR3 SDRAM • 320GB* SATA HDD with Free Fall Sensor
- 13.3" Wide HD LED Display with Anti-Glare
- Trend Micro™ Worry-Free™ Business Security Services (15 months)
- 1-Year Limited Warranty: Next Business Day On-Site* Service

Recommended Upgrade:
3-Year Limited Warranty: Next Business Day On-Site* Service - ₹4,779

WORRY FREE SECURITY SERVICES

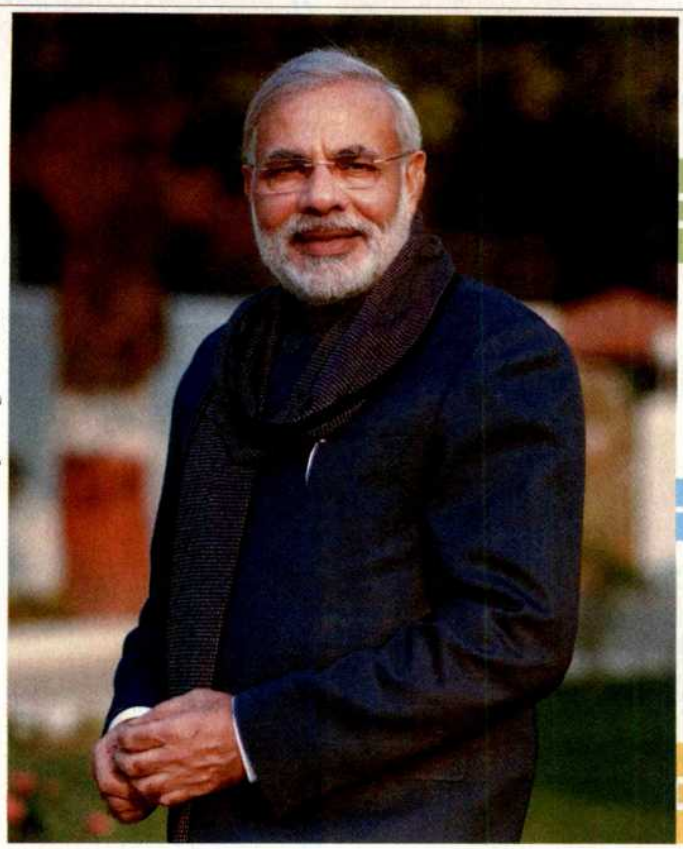
Call 1800 425 4018 / 080-2510 8017^

Buy now www.dell.co.in/business

Defend your business against viruses and threats with Trend Micro™ Worry-Free™ Business Security Services. Recommended by Dell, Trend Micro ranked #1 in threat protection.+

TREND MICRO

+Based on endpoint security benchmark testing conducted by AV-Test.org and reported in "Trend Micro Endpoint Comparative Report, June 2010", sponsored by Trend Micro. For a copy of the report, see www.av-test.org. For more information, email: dell_enquiries@dell.com. **Prices valid till 25th January 2011. Sales taxes or value added taxes, local taxes and any other applicable levies are additional. ^Standard charges apply. ***Important Dell Details. DELL'S TERMS AND CONDITIONS:** All sales subject to Dell's terms and conditions, see http://www.dell.co.in/tnc OR on request. **GOODS BY DELIVERY ONLY. MISTAKES:** While all efforts are made to check pricing and other errors, inadvertent errors do occur from time to time and Dell reserves the right to decline orders arising from such errors. **MORE INFORMATION:** Go to http://www.dell.co.in/details. **TRADEMARKS:** Microsoft and Windows are trademarks of the Microsoft group of companies. ©2010 by Trend Micro Incorporated. Trend Micro, Worry-Free, and the t-ball logo, are trademarks or registered trademarks of Trend Micro Incorporated. © 2011 Dell Inc. All rights reserved.



RACHIT GOSWAMI/www.indiatodayimages.com

CABINET MINISTERS

MINISTERS OF STATE

BUREAUCRATS

ceo@gujarat.in

An insight into Narendra Modi's hard-nosed management style – one that Corporate India swears by. BY ANAND ADHIKARI

It is towards the end of 2008, and, aviation entrepreneur G.R. Gopinath gets a call from Gandhinagar, Gujarat's capital. D.K. Rao, the state's Principal Secretary handling infrastructure, wants to meet the man who introduced Indians to low-cost air travel to discuss a business idea.

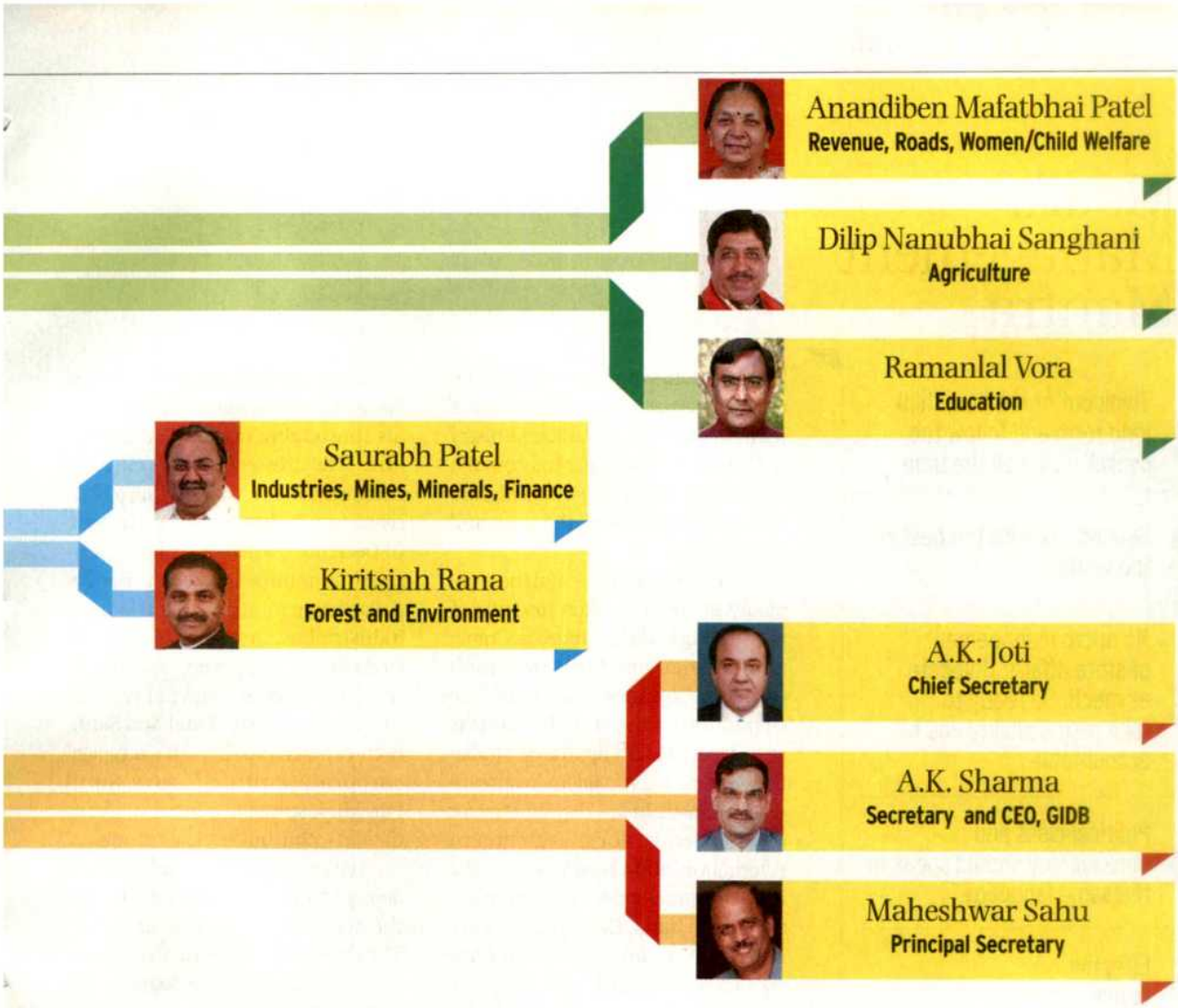
Soon, they meet twice in Mumbai. Rao is under direct instructions from Chief Minister Narendra Modi, who is upset that there are no flights between Gujarat's cities and towns. Gopinath flies to Ahmedabad to meet the man who is as famed for running a tight ship by way of administration as he is vilified for polarising the majority Hindus and minority Muslims and Christians like never before under his rule.

Gopinath explains that he has hardly any role in Kingfisher Airlines, which he has merged his airline Air Deccan with. The ex-army pilot offers to operate cargo flights of his new venture, Deccan 360. Modi agrees but does not give up his agenda. He asks Gopinath to get going on both projects and before parting, jocularly warns: "Be quick on your project. We are faster than you."

Come summer, if all goes according to plan, Deccan Aviation, a Gopinath venture, will begin operating air taxis in the state. Details are under wraps, but in a first-of-its-kind in India, the government will meet any shortfall in ticket revenues. The state has also offered to let Deccan 360 use a new airport outside Ahmedabad as a cargo hub.

In other states, says Gopinath, it is difficult to meet a chief minister as he is surrounded by hundreds of people, most of them seeking redressal of personal grievances. Modi, Gopinath says, avoids such meetings. "That is because, he thinks the system should take care of them," says the Bangalore businessman. "On the other hand, he proactively approaches or readily meets people bringing proposals that can create jobs."

This single-minded pursuit of business without any middlemen makes Modi's A team arguably the most-loved among all states by Indian — and, increasingly, foreign — businessmen.



The political class and bureaucracy speak the same language, so there is no confusion. Contrast that with the government in Karnataka, which is bumbling from one crisis to another besides battling charges of corruption. Chief Minister B.S. Yeddyurappa "is not able to deliver because his MLAs are torn apart in several camps and the CM finds his hands tied," says Gopinath.

Modi, a fit 60-year-old, is obsessive about his daily routine, say those around him. He wakes up early — typically between 4 and 5 a.m. — and practises yoga. He then logs on to the Internet to check on the news. As he reads the newspapers, he starts calling up a district collector here or a municipal commissioner there to get their version of what he may have read in a daily. State legislators can walk into his office without an appointment on Mondays and Tuesdays. He meets his cabinet every Wednesday. "This is followed religiously by Modi," says Industry Minister Saurabh Patel, who works very closely with Modi.

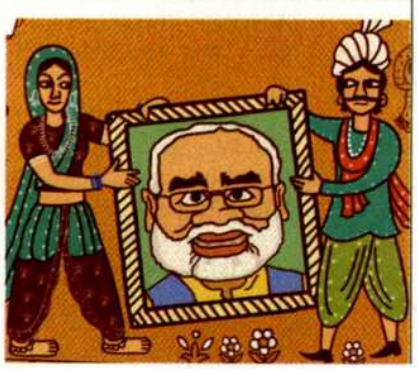
And he is a stickler for time. A Chennai businessman with interests in software, cement and construction learnt this to his surprise when he reached Modi's Gandhinagar office a little early for a 3 p.m. appointment. Minutes before the clock struck three, Modi came out to escort the 70-year-old industrialist into his room. As the tycoon was leaving after the meeting, he saw Modi's lunch *thali* being taken in. A chief minister had pushed back an already delayed lunch for a routine meeting? The industrialist was hugely impressed: in his home state, he is made to wait endlessly even when he goes to make a donation to the ruling party. Modi's lieutenants did not want the businessman's name disclosed.

Modi works with a small core group of top bureaucrats and politicians. Frequent visitors to his chamber include Chief Secretary A.K. Joti; Maheshwar Sahu, the Principal Secretary for Industry and Mining; A. K. Sharma, Chief Executive of the Gujarat Infrastructure Development Board; Industry Minister Patel; and Ramanlal Vora, the Education Minister.

Joti, a 1975 Gujarat cadre officer of the Indian Administrative Service, was brought in from the Sardar Sarovar Narmada Nigam in early 2010 as chief secretary. If he stays his term until 2013, Joti will be among the longest-serving chief secretaries in the country. Sahu, a 1980 batch IAS officer, is another key

Modi's Management Mantra

1. Think out of the box, think long term and follow the overall vision all the time
2. Benchmark with the best in the world
3. No micro management of state affairs, delegate as much. Be ready to take responsibility and be accountable
4. Political class and bureaucracy should speak in the same language
5. Effective communication
6. Use technology and innovation to monitor performance and progress at all levels
7. Learn the art of saying much in little
8. Manage expectations of various stakeholders



SANTOSH KUSHWAHA

Modi man, having handled the Bhuj earthquake reconstruction. He was a Joint Secretary in the Union Ministry of Communications and Information Technology under Dayanidhi Maran. Sharma is known as the eyes and ears of Modi.

Modi's detractors — and there are plenty of them — liken his style of functioning to the politburo in China: authoritarian and final. Shaktisinh Gohil, a Congress leader of the Opposition in the state legislature, even terms Modi's approach vindictive. "Where is the freedom to bureaucrats," he asks. Indira Hirway, Director of the Centre for Development Alternatives, and a keen Modi watcher is of the same view. "Everything is under one hand. Even ministers are puppets. Bureaucrats are worried about being sidelined," she says.

As one story goes, the chief minister's office once called up a senior bureaucrat in the evening to ask for some information. The officer was playing cards in his club, and snubbed the caller, a junior officer. It was past 6 p.m., the bureaucrat said, and he had finished for the day. The very next day, he was transferred. *BT* was cited this instance on the condition that the official's name or designation would not be published.

On a recent visit to Gujarat, *BT* found several bureaucrats at work on the Muharram holiday. Arvind Agarwal, Vice Chairman and Managing Director of Gujarat Industrial Development Corp., or GIDC, an agency tasked to build the state's industrial backbone, was at home, having just finished a meeting in the morning followed by another with his two staffers. At the Secretariat, Principal Secretary Sahu was readying to meet half a dozen bureaucrats to discuss pending issues.

Modi's people say he functions like a CEO, with a team of professionals thoroughly briefed and kept in line. "He stresses a lot on effective communication," says a retired bureaucrat who has worked with Modi. In December, when the state government announced a farmer-friendly policy for acquisition of land for new industrial estates, only two people from Team Modi were allowed to speak to the media and industry associations: minister Patel and Sahu, both experts in policy. "It's a typical corporate culture," says Sunil Parekh, a strategic advisor to Zydus Cadila, a pharmaceuticals group.

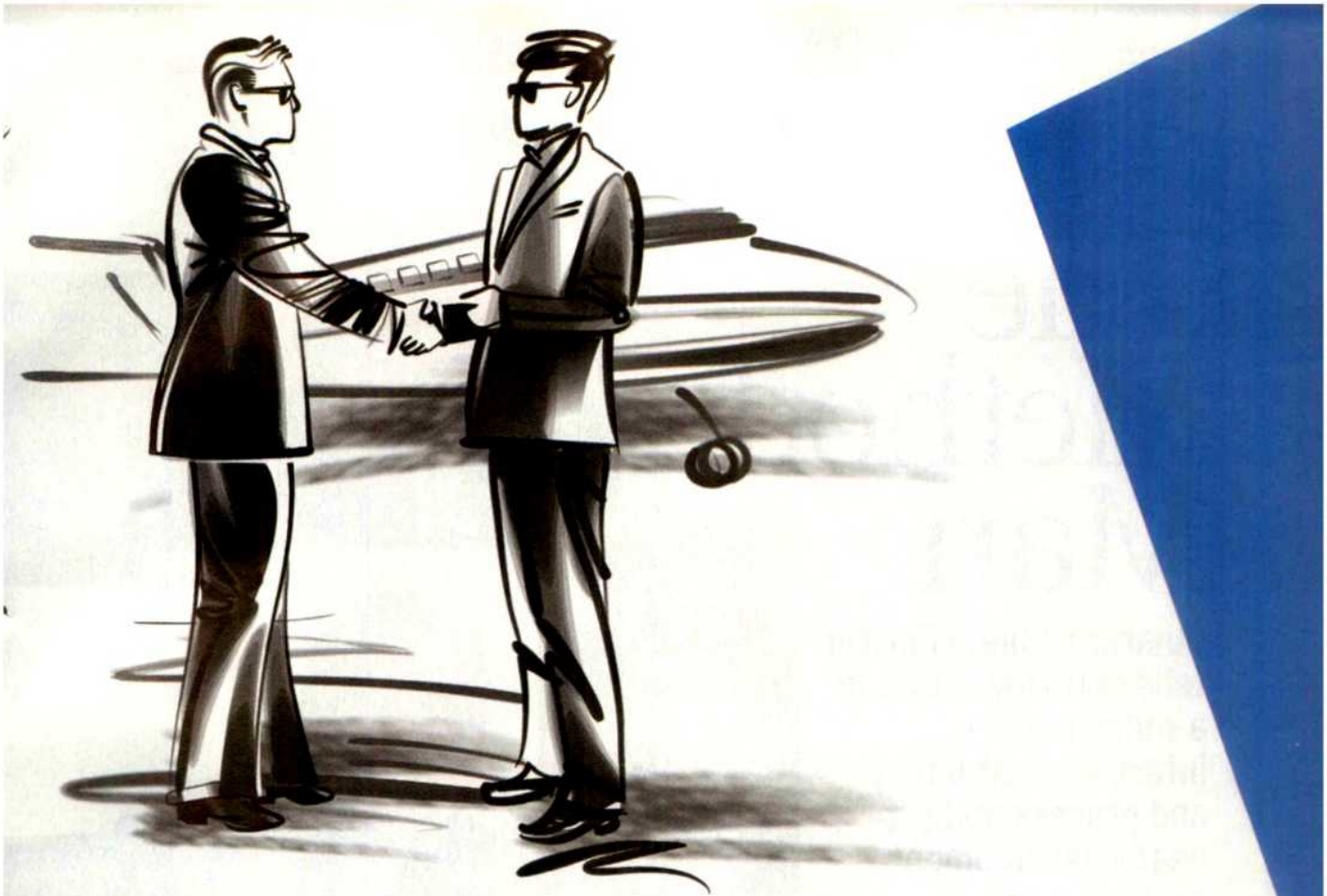
True to form, the chief minister deploys technology for visibility into the system and speed of approval. The agreements signed at the Vibrant Gujarat summits are logged and tracked online through each stage.

One exception is the Tata Nano project at Sanand, for which Modi deviated from the policy short-circuiting the laid down procedures. His team members say Modi explained to them time and again the reasons for bypassing the policy. "Nano is a major engineering project and it is trying to find a home in the country of its origin," Modi told them.

Getting the project not only worked wonders for Brand Gujarat, the investor-friendly state, but has also boosted its ambitions of becoming an auto hub to rival Gurgaon, Chennai and Pune. "Gujarat is home to the world's cheapest car. What more does a state need to market itself to the world," says Agarwal of GIDC.

The marketing win is Team Modi's first win all right; it will triumph when it institutionalises its success well into the future. ◆

ADDITIONAL REPORTING BY K.R. BALASUBRAMANYAM



Travel made simple in a complex world of global travel.

Airline Ticketing

Corporate Meets and MICE

Car Rentals

World Class Holidays and Incentive Tours

Travel House. You do business..... while we take care of everything else.

We help you to plan your travel itinerary to make it seamless and simple. So, rest assured you'll never have any unpleasant surprises when you plan your business travel or ticketing with us. Our excellent service standards are supported by a network of 42 offices and counters. That's why Travel House is considered India's finest total Travel Management Company.

TRAVEL HOUSE
We make travel simple

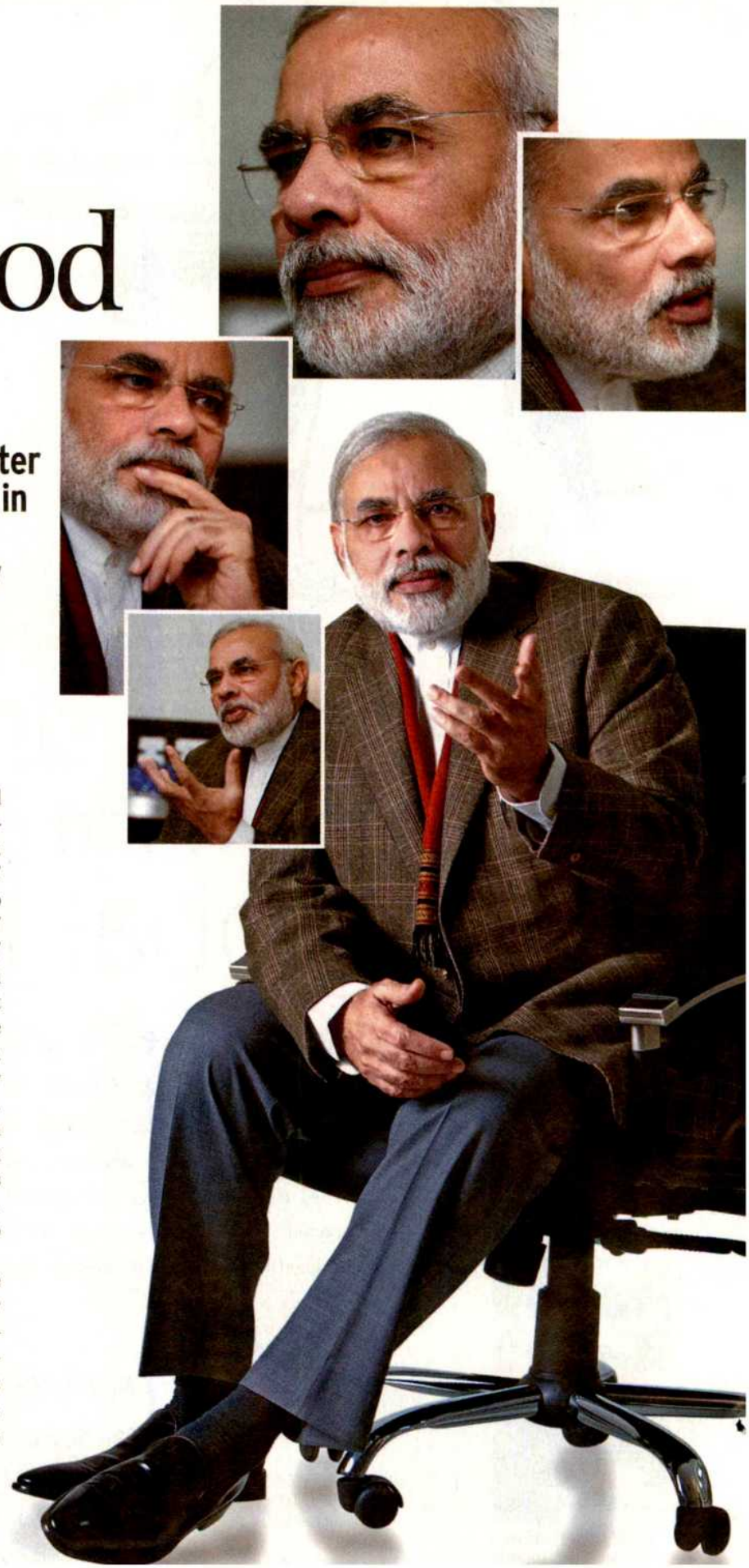
International Travel House Ltd., T-2, Community Centre, Sheikh Sarai, Phase -1, New Delhi-110017
Tel: 91-11-26017808, 46059163, Fax: 91-11-26011543, e-mail: contactus@ith.co.in
Toll free no.: 1-800-102-0505 (Call: Mon-Fri 9:30 AM-6:00 PM, Sat 10:30 AM-2:00 PM)

www.travelhouseindia.com

TRITON/D/11/0101

The Method Man

Gujarat's Chief Minister tells CHAITANYA KALBAG in a wide-ranging interview that policy and process make a heady development cocktail



Narendra Modi is not a tall man, but he exudes self-assurance and authority. There is something of the High Priest of Mohenjo-Daro about him, presiding at the altar of Capitalist Gujarat under the gaze of an adoring laity. Modi has been chief minister of Gujarat for just over nine years, in itself an enviable stretch. The billboards in Ahmedabad trumpet the January 12-13 Vibrant Gujarat Summit. There is more of Modi the man in view than of his party, the Bharatiya Janata Party. "This government is absolutely apolitical," says Modi. "When I make a decision there is no political consideration."

Indeed, Modi runs Gujarat like a benignly tyrannical CEO. "My government is P2G2," he says. "Pro-people, proactive good governance." The firm's top and bottom lines are satisfyingly in the black. This month's investment jamboree,

organised every two years, is the fifth since 2003, and it promises to bring in a fresh torrent of industries and jobs. The last one in 2009 swept aside meltdown gloom with $240 billion in commitments. "After four successful Summits the investments are in autopilot mode," Modi says.

These money-fests exemplify Modi's single-minded focus on policy and implementation. "I spent a month or a month-and-a-half supervising micro-details for the first two Summits," he says. "This one is a couple of weeks away and I don't even know who is attending." That is a bit disingenuous, though. Modi has personally led a series of road-shows heralding this Summit, complete with panels of business leaders, video presentations, and slick promotional bumf.

The interview takes place in the chief minister's enclave in Gandhinagar, guarded by gimlet-eyed security. The surroundings are quiet and sylvan. There are no crowds of hangers-on, no fawning supplicants. There are large paper roses in the ante-room, but the air is redolent with the smell of rosewater. To critics who say he runs Gujarat like a one-man show, Modi is quick to emphasise 'Team Gujarat'. "In a democratic system a leader's biggest contribution should be to institutionalise every idea," he says. "Gujarat's success is because we have institutionalised everything." After we have done talking, Modi, ever the media-savvy politician, spends close to half an hour posing obligingly for the photographer. It is a Thursday afternoon, but affairs of state seem to wait beyond the walls of the sunlit compound.

> "You can't operate outside the rules," Modi says, "but neither do you need a huge, extraordinary talent to run the government"

"In a globalised world with no borders, two or three things count," Modi says. "First, stability. Second, a policy-driven state. Third, what outcome are you delivering? If you have all three, becoming a global destination [for investment] is not difficult." He says every Gujarat policy is published online for public comment and debate. "*Doodh ka doodh aur pani ka pani ho jata hai*," says Modi — the whey and the curds get separated. "Then people feel it is their policy. Policy itself becomes a major driver of speed. My experience is that if you take decisions case by case, you lay the ground for corruption. But if you take decisions on the basis of policy, then you minimise the grey areas." Technology, too, helps minimise and even eliminate corruption, he says.

Every year, Modi organises a *Chintan Shibir*, an "introspection camp". Along with his entire cabinet, all his party legislators, and every bureaucrat and senior police official, he spends three days discussing, debating — and learning. "I don't believe for a moment that Gujarat has all the answers," he says. "We learn from others and borrow best practices." One year he invited an official from Kerala who had run an interesting project. Another year, "we invited the Chief Secretary of Nagaland because they had done things we wanted to hear about". To criticism that he brooks no dissent, Modi says even a very junior official "can stand up and criticise his superiors...I sit at the back, in the audience. I'm just a participant. I learn a lot."

But is Gujarat truly a meritocracy? Can a bright young administrator rise quickly to the top? "You can't operate outside the rules," Modi says, "but neither do you need a huge, extraordinary talent to run the government. You need sweat, you need commitment. You need youthful thinking, out of the box thinking."

Towards that end, in 2009 Modi launched the "CM Fellowship" programme (*www.gujaratcmfellowship.org*). Young people from all over India are encouraged to apply. There is no age limit, or an educational minimum, or even the need to be a Gujarati speaker. The CM Fellows are selected after a six-month shortlisting and interview process, and have to commit to spending a year working in a government department or a district. They get stipends and accommodation. The first batch kicked

PHOTOGRAPHS BY RACHIT GOSWAMI/WWW.INDIATODAYIMAGES.COM

off in July 2010. "We have about 20 such boys," says Modi. "They are all technologically sound."

Modi's aides say he leads a spartan lifestyle, although he willingly turned himself out in different clothes for BT's pictures, with a valet cradling an armload of mufflers in different colours. He only occasionally meets his mother, who also lives in Gandhinagar with his younger brother. "I come from an ordinary background," Modi says. "We did not know anything about elections or politics. I never thought I would sit in this chair. I have never dreamt of becoming something. I have dreamt about doing a lot of things."

Modi, who turned 60 last September, describes two other processes he has set in stone. Every Tuesday "is for MLAs and MPs", he says. He and all his ministers do not stir out of their offices all day. Any legislator, state or central, can walk in alone or with a delegation for a conversation. "No meetings are set by my entire team. Often I am in my office until close to midnight and meet upwards of fifty people for detailed chats on Tuesdays."

Every Wednesday is Cabinet day. At 10 a.m. the Gujarat Cabinet meets minus Modi for a "zero hour". Problems and issues are thrashed out, and when Modi joins the meeting an hour later he is presented with points and recommendations. Does he do performance appraisals for his ministers? "There is no need," he says a trifle indignantly. "We are together. My Cabinet is the smallest in India, only 15 people. I meet them every day, I know what they are up to. We are a team."◆

"Rural development has kept pace with urban growth"

In addition to the interview at his Gandhinagar office, ***Narendra Modi*** *answered additional questions in writing. Edited excerpts:*

What do you think differentiates Gujarat from other states?

Gujarat represents uniformity of development as well as unanimity on the issues of development. Infrastructure development has kept pace with economic growth, rural development has kept pace with urban growth, satisfaction of workers has kept pace with industrial growth. Not only have multinationals and big companies done well, but a large number of medium, small, rural and domestic ventures have also prospered. Not only have industry and agriculture grown fast; but education and health services have also expanded equally fast.

Every state dreams of infrastructure that compares with the developed world but Gujarat is perhaps the only state that delivered. What are the best practices that help you deliver this?

Yes, we have been very keen and committed on developing infrastructure. I personally believe that infrastructure is the enabler of development. Some things that have helped us. For one, we have vision documents for 20 to 30 years. Two, while we plan for big and robust infrastructure, we also see that the remotest part of the state benefits. Three, we are aiming to build the best of infrastructure from a global perspective. Four, Gujarat is a pioneer in public private partnership.

Gujarat's rate of growth in agriculture is running at a record level – how has this been made possible?

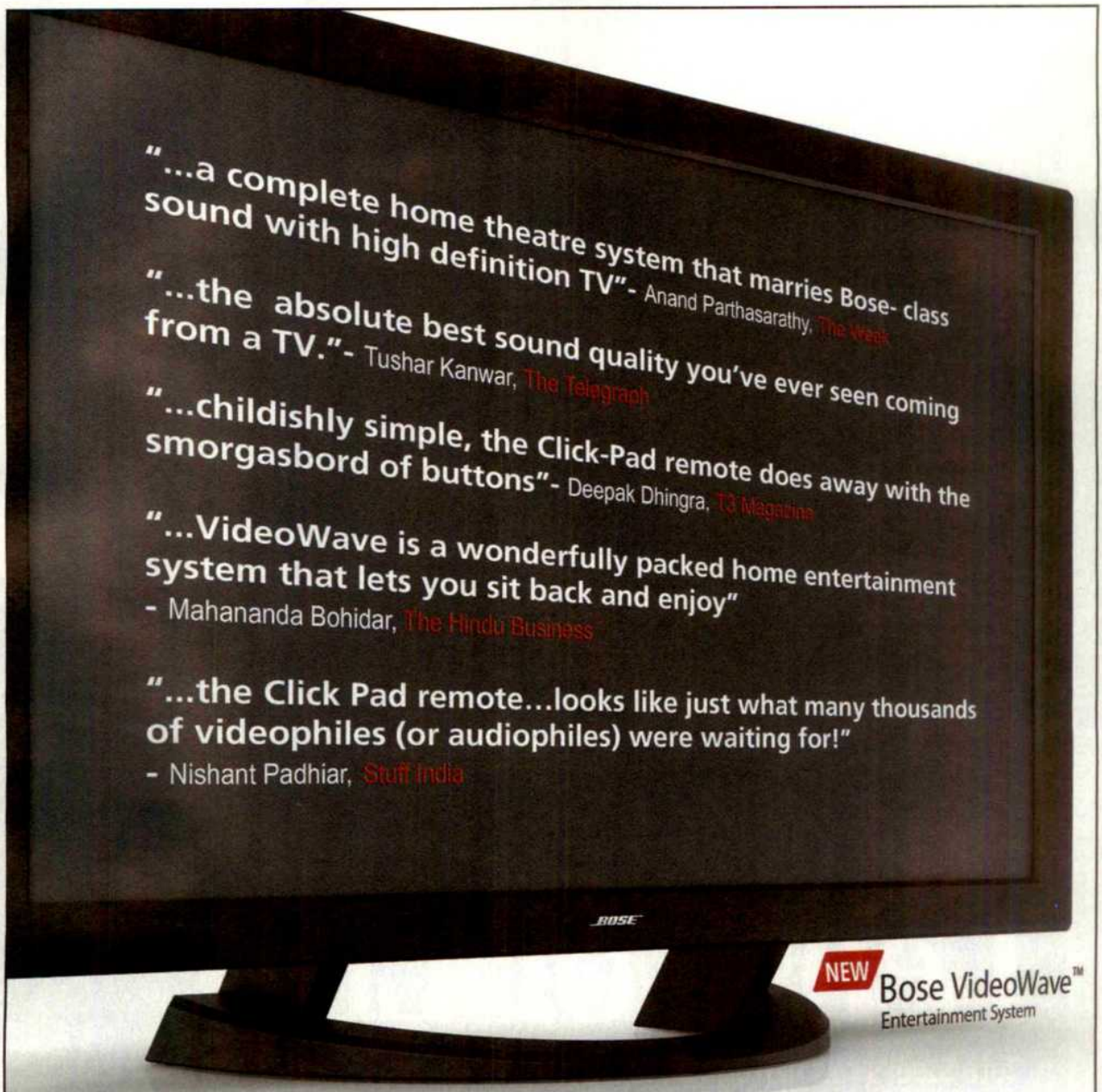
At 9.6 per cent for the last six years, the growth rate in agriculture is more than three times the national average. Gujarat has been a perennially water-scarce state marked by recurrent droughts, and was never known

for its agriculture. We have implemented macro projects, and on water harvesting and conservation. Through soil health cards, my farmer knows which crop to sow and which nutrient to use. We are working hard for introducing drip and sprinkler irrigation. Today there are villages in Gujarat where all farms are micro irrigated. We are also bringing more wastelands under cultivation.

What are your mantras for quality governance?

If you set up proper systems of governance, if you have policy-driven governance, if you inculcate transparency in governance, speed is a natural outcome and corruption goes. Use of technology is another key factor. We have introduced a number of initiatives in e-governance. Our one-day governance centers are live examples of speedy and efficient delivery of services. More importantly, I gave stability of tenure to my senior officials, which made a big difference.

Longer version of interview at
www.businesstoday.in/modi



"..Bose has done something truly spectacular"

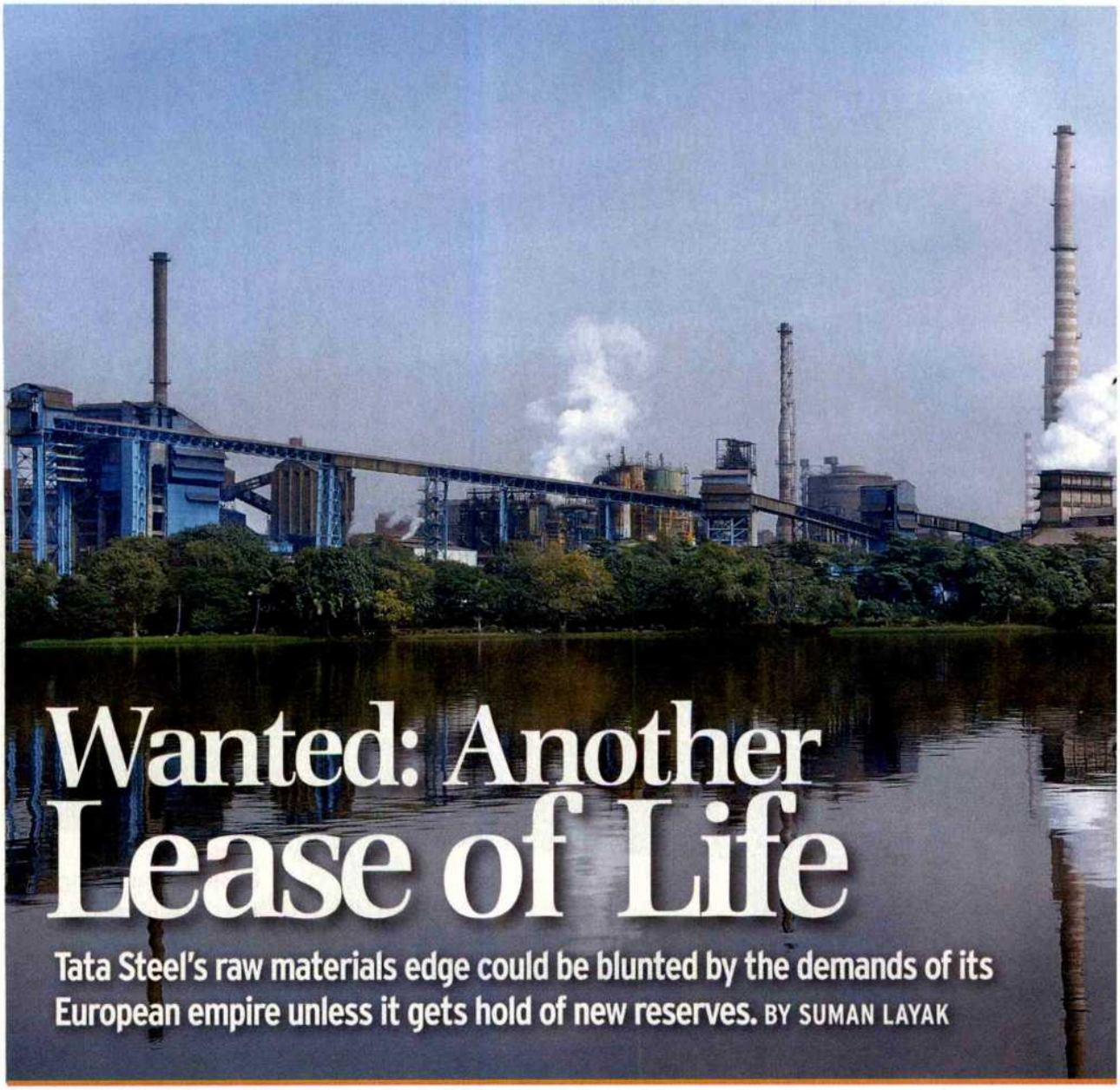
- Tushar Kanwar, The Telegraph

The new Bose Click Pad Remote.

Visit your nearest Bose® Store for an experience we believe you will never forget!
Available in select cities - Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Kolkata
For store locations, call 1-800-11-2673(BOSE) or log on to www.Boseindia.com

©2010 Bose Corporation. Please quote the reference no. BT11-06

BOSE®
Better sound through research®



PHOTOGRAPHS BY UMESH GOSWAMI/www.indiatodayimages.com

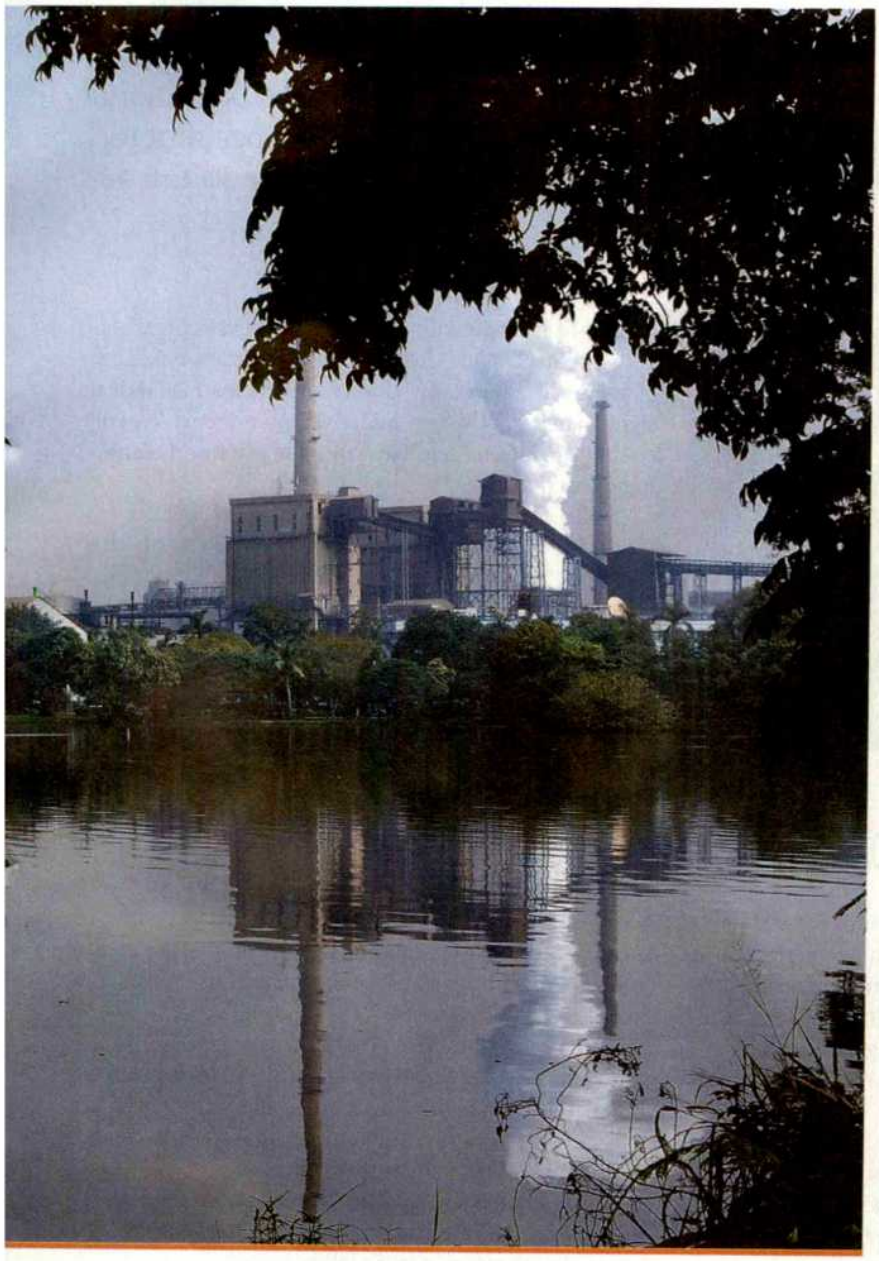
Wanted: Another Lease of Life

Tata Steel's raw materials edge could be blunted by the demands of its European empire unless it gets hold of new reserves. BY SUMAN LAYAK

For once, technology and financing skills had to be set aside as Tata Steel learnt to talk in Ho, the mother tongue of more than a million tribals in eastern India. When an appeal for land to set up its second project, in Orissa's Kalinganagar, cut little ice with the locals, Tata Steel brought in some of its Ho-speaking workers from the Noamundi mines near the Tatanagar steel plant in Jamshedpur, Jharkhand. That, the company says, turned it from a foe to a friend: it has secured 3,000 of the 3,400 acres allotted to it.

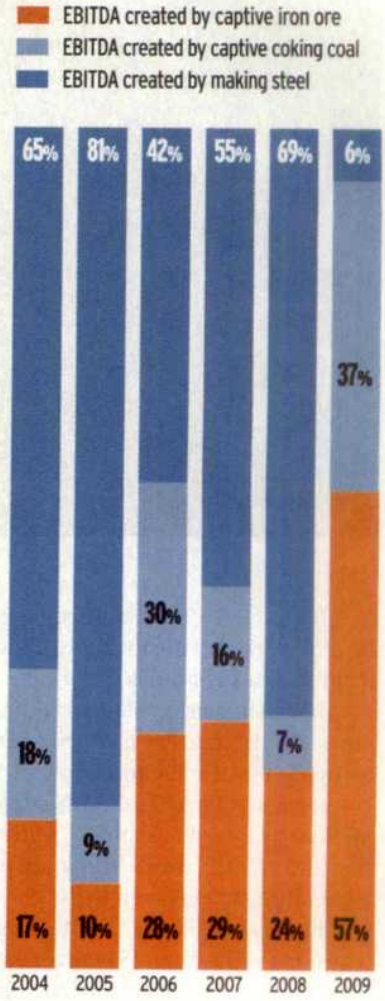
Kalinganagar was one of the projects announced by Tata Steel in the last decade, the others being in Lohandiguda in Chhattisgarh and Saraikela in Jharkhand in 2005, and in Bangladesh in 2004. The aim was to add around 26 million tonnes of capacity to the then level of five million tonnes. But the proposed projects in Chhattisgarh and Jharkhand ran into land acquisition trouble. In 2007, Tata Steel acquired Corus in Britain, to become the world's seventh-largest steelmaker by volume.

With iron ore prices continuing to soar, the Corus acquisition has made it even more imperative to get new mining leases. First, Tata Steel has to repay the huge debt it



Tata Steel's Indian Operation

EBITDA/tonne Breakdown



Source: Stanchart Research, *BT* Research

took on to fund the acquisition. Second, the European business does not have the captive iron ore or coal mines that give the Indian operations its big edge. This cost advantage is keeping the group afloat despite the demand recession in the West.

Managing Director Hemant M. Nerurkar is proud of the progress at Kalinganagar. "When we move to Chhattisgarh next, we will be a lot better prepared," he told *BT* on a recent visit to the Jamshedpur plant, currently Tata Steel's only steelmaking facility in India (see interview, "*People Losing Land Must Get Their Fair Share*").

As Nerurkar puts on the regulation helmet and heads out of his office into the plant, he points out that while Tata Steel waits for the new projects to happen, it has managed to squeeze in a blast furnace and steelmaking facilities to increase capacity by around three million tonnes.

"Earlier, steel ingots used to land at this spot," he says, pointing to a structure that once had a steel melting shop and now houses a plant to convert molten iron into crude steel.

The surge in raw material prices over the last decade left steelmakers scrambling to learn a new business model

"Raw material costs now account for **70 per cent of total costs, against 20-25 per cent earlier,** and operational costs are down from 75-80 per cent to 25-30 per cent" **Malay Mukherjee,** MD, Essar Steel

in which the 1990s' concerns over technology and bloated workforce do not figure. Raw material costs are today the make-or-break factor.

Malay Mukherjee, Managing Director of Essar Steel, notes that the industry has seen a permanent change in its dynamics. He should know. A former veteran of government-owned Steel Authority of India Ltd or SAIL, Mukherjee joined Lakshmi N. Mittal's global steel empire in 1993 and rose to the board of ArcelorMittal before quitting to join Essar in 2009.

"Raw material costs now account for 70 per cent of total costs, against 20-25 per cent earlier, and the operational costs as a portion of total costs are down from 75-80 per cent to 25-30 per cent," says Mukherjee. So a 10 per cent cut in operational cost reduces the total costs by just 2.5 per cent. But shave 10 per cent off raw material costs, and total costs fall by seven per cent.

Mukherjee says all investments by steelmakers will now go to secure raw material supplies, and there will be little time for process innovations. "Corus is an excellent steelmaker, but the Tatas acquired it at a time when this paradigm shift was shaking up the steel industry. Corus never had any captive raw material sources. The challenge is to secure it with raw material sources," he says.

Tata Steel's Vice Chairman, B. Muthuraman, says: "Tata Steel's philosophy is to have some control over a significant part of its raw material requirements. We will continue to look for sensible acquisitions in raw materials to protect ourselves."

Apart from Noamundi, Tata Steel gets its iron ore from Joda and Khondbond in Orissa. For the Kalinganagar steel plant, Orissa has promised another iron ore mine.

How much of a difference do raw materials make? Plenty. Satish Kumar, an analyst with Standard Chartered Securities in India, notes that Tata Steel, by virtue of owning its raw material sources, achieves an EBITDA — or earnings before interest, tax, depreciation and amortisation — that is two to three times that of global players such as South Korea's Posco and Europe-based ArcelorMittal.

"While Posco or Arcelor would have an EBITDA of $130-140 per tonne of steel they produce, Tata Steel's EBITDA is $400-450 per tonne." says Kumar. At current levels of consumption at Tatanagar, Tata Steel's iron ore reserves will last 20 years.

Kumar says Tata Steel's cost for coking coal is $50-60 a tonne against its global rivals' cost of $210 per tonne. Today, Tata Steel's iron ore mines feed its entire need in India, and it gets 45 per cent of its coking coal internally.

Indian steel companies have other advantages — iron ore prices in India are always a bit lower than the import parity prices, and the ban on ore exports from Karnataka has made life easier for steelmakers in India, Kumar says.

Buying iron ore can be 5-15 times as costly as mining your own ore. Tata Steel controls iron reserves of 350-400 million tonnes in its existing leases in India. This is enough to feed its Jamshedpur operations for 20 years. The Corus acquisition has changed the equation: its total annual capacity worldwide has shot up to 28 million tonnes. As a result, the group as a whole has become ore-deficient and lost much of its earlier

India Runs the Show

Tata Steel Group vs Tata Steel India
(April to September 2010)

	GROUP	INDIA
Sales	55,840	13,658
Sales Growth	15%	21%
Operating Profit (EBITDA)	9,024	6,327
EBITDA for first half 09-10	606	3,787

Source: Tata Steel Figures in ₹cr. unless otherwise stated

advantage. That is why it is important for the company to add steel-making capacity in India linked to captive ore, and also to look overseas for ore reserves to feed the European operations. Hence the rush to secure iron ore leases elsewhere in Jharkhand and in Chhattisgarh.

Nerurkar says the company will try to remain self-sufficient in iron ore in India. "I am sure we will get captive iron ore mine allocations from the state governments. After all, we have invested heavily in the poorest states," he says. Iron ore mining rights are highly valued by the industry. (One of the charges by the Central Bureau of Investigation against Madhu Koda is that Koda asked for a kickback of Rs 150 crore from one such ore supplicant during his term as chief minister of Jharkhand.) Tata Steel denies having anything to do with Koda.

Feeding Big Brother

However, the company has bigger worries outside India, where it needs to tie up raw materials. Iron ore and coking coal prices have firmed up over the past few months while steel prices in Europe are not likely to go anywhere upwards soon. Coking coal prices are expected to set a record in 2011, with Stanchart predicting $350 a tonne (the earlier record is $300 a tonne). Iron ore prices are expected to touch $200 a tonne.

With no captive minerals and steel prices looking to stay depressed, Tata Steel Europe is in a very difficult spot. London-based Chris Houlden, Principal Consultant for Steel at CRUAnalysis, says the European steel business has low margins and can be a drag on the rest of the company. "Tata Steel Europe is largely exposed to the sea-borne market for ore and coal. Across Europe, conditions are weak. We expect order books of steelmakers to look a lot better by this time next year. Else, idle capaci-

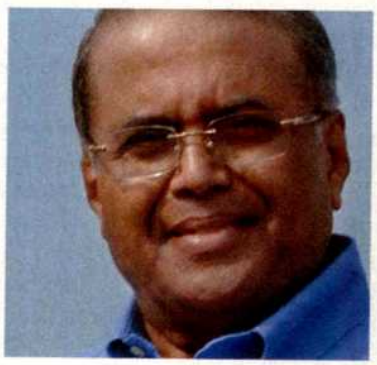
INTERVIEW

"People Losing Land Must Get Their Fair Share"

In his first interview to a print publication after taking over as the managing director of Tata Steel in 2009, **HEMANT M.NERURKAR** *spoke about what is critical for Tata Steel to survive the next few years. Edited excerpts:*

The last quarter results were a positive surprise. Your comment.
The first reactions were positive, but when people figured we were not doing so well in Europe we got some negative reactions too. But as long as Europe does not record bigger losses we will be fine and in three years our European operations will be as good as any in the world. Demand is an issue in Europe today.

How important is the expansion in Jamshedpur for you?
In India we are concentrating on a few things. First is modernisation. Our operating profit (EBITDA) is one of the highest and any tonnage we add from India will help our EBITDA. We have two tasks. One is to pay back the loan and the other is to plough back profits into the Orissa project. The Jamshedpur expansion of three million tonnes was a difficult one — this is the first time we expanded the capacity here on this scale. We have always expanded by one million tonne or less. This one was almost like setting up an integrated steel plant — but not in a classical way. It was done in a *khichdi* (hodge-podge) manner — a bit here and a bit there. Now, on around 1,700 acres we will have 10 million tonnes of steel-making capacity. But after we complete building the capacity we will have to work on streamlining them. It is something our chairman, Mr Ratan Tata, is very keen on.



Your new projects in Orissa, Chhattisgarh and Jharkhand have been delayed for years now...
That is why we expedited our Jamshedpur expansion. And in Orissa we are almost successful. We were so used to Jamshedpur, where people know us and we take the local acceptance of the Tatas as granted. We took a long time to realise that an orchestrated campaign was being conducted against us in Orissa. First, we did the things the government asked us to do and what the local people asked us to do. But it took us some time to realise that we need to do more — we need to secure the people's future. However good our intentions may be, the person still loses his land. There is no fairness in the land acquisition process. People are emotionally attached to their land and we need to be aware of that. People must get their fair share. When we move to Chhattisgarh for our next project we will be much better prepared.

ties will have to close down," he notes.

Karl-Ulrich Koehler, the CEO and Managing Director of Tata Steel Europe, is cautious. "We have a strategy at the group level, which involves investing to make us more self-sufficient," he said. "There are too few suppliers in the market at present, but that situation seems set to gradually ease over the next few years" (see interview, *"We are growing and are stronger because of the takeover"*).

Koehler may sound optimistic, when one looks at forecasts that China will produce a record 674 million tonnes of steel in 2011, stretching iron ore capacities worldwide. This forecast, by an Australian agency, has China importing 629 million tonnes of iron ore to supplement its domestic sources.

Tata Steel has invested in New Millennium Capital Corporation's ore project in Canada, in which it will hold a stake of 80 per cent. Production is expected to start next year. While this investment will provide around four million tonnes of ore a year, Nerurkar indicated that the same group has another asset in which Tata Steel is interested.

Tata Steel has also formed a joint venture with a government agency in the West African nation of Ivory Coast to mine the Mount Nimba iron ore deposits, one of the largest in that continent. For its coal, Tata Steel has acquired a 24 per cent stake in Australia's Riversdale Mining, and 35 per cent in Riversdale Mozambique, with the right to take 40 per cent of its production. A race to take over the company has started with Rio Tinto making a bid and the Tata group, the largest shareholder in Riversdale, mulling a counter bid. Tata Steel has also formed separate ventures with SAIL and NMDC. While the venture with SAIL will be bidding overseas for mining projects, the one with NMDC can have several plays, including an equity tie-up for steel plants in India.

Apart from leading Tata Steel in India and Asia, Nerurkar is also responsible for the group's raw material security. He says: "These sources of iron ore and coal will help our European operations. It will take time to boost the bottom line as we will still have to pay a market price but we will also get dividend payouts from the mining companies."

Muthuraman explains: "Our projects in Mozambique, Australia, Canada and Ivory Coast are meant to serve our European operations. Some of these will fructify in the next two to three years and some will take longer."

Repay Loans, Get Ore

Nerurkar took over as managing director of Tata Steel in 2009, with Muthuraman moving up as non-executive vice-chairman. In his first interview with the print media, Nerurkar comes across as a man in command, as he steers the company through uncharted waters.

Nerurkar will have a stint of just about five years in the hot seat. His predecessor's tenure was eight years, and he will have that much less time to leave his mark on the 103-year-old company.

"We have two tasks: repay our loans taken for the Corus acquisition and invest in Kalinganagar," says Nerurkar. "For that, whatever tonnage I can add from Jamshedpur will aid our bottom line."

Earlier, as we walked out of his office, Nerurkar pointed at the handrails along the stairway and new safety regulations that mandate holding on to them. "Holding on has two purposes — to keep you safe and also keep the handrails clean," he says.

Like the handrails, almost everything has a dual purpose in Tata Steel today. The Corus acquisition makes Tata Steel Group a large player with that much more leverage while buying raw material. It also offers superior technology for the entire group.

Tata Steel is learning and so is Corus. Koehler says: "I am confident that the European operations of Tata Steel

"Whatever **tonnage I can add from Jamshedpur** will aid our bottomline"
Hemant M. Nerurkar, Managing Director, Tata Steel

have a major contribution to make in technical and operating know-how for the development of the group as a whole."

Using the European experience, the Jamshedpur hot-strip mill has increased its annual capacity to 4 million tonnes from 2.5 million tonnes and the cold-rolling capacity is up from 1.2 million tonnes to 1.5 million tonnes.

Nerurkar is planning to bring in some higher grades of cold-rolled steel to India from Europe as well as some construction-grade steel from its Thailand unit. What handicaps the Jamshedpur plant is that it is landlocked, unlike, say, rival Essar Steel. Essar has its steel mills and raw materials beneficiation and pelletisation plants on the west coast.

That is one reason Tata Steel abandoned plans to send steel to Europe for finishing. This is also why Kalinganagar, located 100 km from the proposed Dhamra port on the eastern seaboard, is so important. It will add Indian steel (read profitability) to the balance sheet.

Demand Too Good to Miss

"India is growing both in infrastructure and in consumer products and I do see a 10-12 per cent growth in steel demand per annum, with a little larger growth in longs than in flats," says Muthuraman, referring to structurals such as beams and sheets.

B.N. Singh, the Group CEO of Adhunik Metaliks, cites the government's infrastructure push to back optimistic estimates that India will consume 220 million tonnes of steel a year by 2020. That will need over 600 million tonnes of iron ore.

Singh, who was earlier the CEO of JSW Steel and chairman of the government-owned Rashtriya Ispat Nigam Ltd, says: "At worst it will be 170-180 million tonnes. We are at 60 million tonnes now. There is plenty of room for all Indian compa-

INTERVIEW

"We are Growing and are Stronger Because of the Takeover"

KARL-ULRICH KOEHLER *joined Corus when the company was not at its best. Today, as its leader, he has his job cut out for him — to contribute to the growth and profitability of the Tata Steel Group.*

You took up this assignment when Tata Steel Europe was going through a tough time...

It was not a hard decision to join one of the world's largest steelmaking groups with a large geographic reach, close connections to global customers, good growth prospects and an exciting future. I joined the company in February and worked with my predecessor, Kirby Adams, who I have known for some time through IISI (now the World Steel Association) and have always considered a friend. Together we pushed through the cost-saving and restructuring measures that have reversed the financial performance in Europe and set up a sound platform for renewed investment in our operational performance.

How are you communicating the Tata Steel brand in Europe...Will you retain the Corus brand?

First, the Corus brand will gradually disappear altogether. We are introducing the Tata Steel name gradually over a period, in order to minimise cost and disruption of operations. Our employees in Europe, who recognise we are all stronger and growing together because of the takeover, have welcomed the switch to the Tata Steel brand enthusiastically. We have also spoken to all our customers.

We know that you will unveil a plan for Tata Steel Europe in three months. What direction will it take or what areas will it work on?

It is clear we have to differentiate ourselves through our product offering and customer service and ensure operational excellence. This is why we are introducing our new operating model in Europe. This will optimise the way our manufacturing, supply chain, and sales and marketing functions work together.

Do you see any scope for further integration of the operations of Tata Steel India and Tata Steel Europe?

Absolutely. A lot of work on this has been going on since the takeover, and this will continue. The integration — the sharing of best practices, technological differentiation and the culture of continuous improvement — has been continuing right through the financial crisis. We will see over the next few years how Tata Steel in Europe will play a major part in optimising how the group takes advantage of its growth opportunities.

nies to invest and grow their production in India, and Tata Steel's strategy to invest in capacity looks good."

While all this is true, Tata Steel is caught between its troubles in Europe and the land and lease hurdles before its new projects in India.

Koushik Chatterjee, the group's chief financial officer, says: "We will continue to invest ₹6,000-8,000 crore annually, across the group in the next few years." The company is also seeking the permission of shareholders to raise capital. Chatterjee adds: "As part of our financing strategy we will continue to pre-pay and repay debt from surplus cash flows," indicating that the fresh equity, when raised, will be used mainly for investments.

How close is Tata Steel to setting up the Kalinganagar plant? "Nothing is expected before another three years," says Kumar of Stanchart.

Author and activist Felix Padel says Kalinganagar has seen human rights violations and the situation is as grim as that of the Vedanta project in Lanjigarh and Niyamgiri. Padel says there has been violence between people who have accepted the rehabilitation proposal and those that have not. Tata Steel declined to comment.

As a company, Tata Steel has seen its conflicts, within and without, and also reconciliations, such as the one last November, when a 92-year-old Russi Mody arrived at the Jamshedpur airport and was greeted by J.J. Irani. In 1993, Mody had quit as chairman and managing director of what was then Tata Iron and Steel Co following a tiff with Ratan Tata, when Tata began to take control of the group. Irani had succeeded Mody. His presence at an Irani family function was dessert for the feast.

Only, the problems facing Nerurkar and Koehler this time are bigger, global and multidimensional. ◆

Bait Worth the Wait

Owning a mine is like putting gold in your pocket

DEEPAK G. PAWAR

ArcelorMittal, the largest steel maker in the world, controlled by Lakshmi N. Mittal, has signed up to build steel plants in Orissa, Jharkhand, Karnataka and Chhattisgarh. Land acquisition and mining rights have delayed the company's plans. It almost grabbed some steel making capacity in India on more familiar ground. Or should we say familial? Ispat Industries, where L.N.M. started his career, now has moved into the JSW Steel fold with Sajjan Jindal likely to pick up a 51 per cent stake and emerge as the largest Indian steel maker, overtaking Steel Authority of India. Welspun, Vedanta-Sterlite, Navin Jindal's Jindal Steel & Power and ArcelorMittal were reportedly all in the fray. Ispat has a three million tonne steel making unit at Dolvi and cold rolling operations in Nagpur. Apart from ArcelorMittal, Vedanta and Posco too are trying to set up multiple steel plants provided they get some iron ore allocations. Vedanta has already acquired Sesa Goa, an iron ore mining company. These foreign majors have signed multiple MOUs — betting on different states and the ability of the state governments to arrange everything — mining licence, forest clearance, land acquisition, environmental clearance, etc. What are these companies fighting for?

India's current proven iron ore reserves are around 8.5 billion tonnes. If we add all the probable and possible (proven, probable, and possible are technical terms in mining parlance indicating the degree of surety of the quantity of reserves underground) reserves of iron ore, it can add up to 17 billion tonnes. Of this, around 80 per cent can be mined. The ore is shared among Orissa, Jharkhand, Goa, Chhattisgarh, Karnataka, Maharashtra, Rajasthan, Kerala, Andhra Pradesh, Tamil Nadu and Assam. Around two-and-a-half to three tonnes of ore is needed to produce a tonne of steel — so, potentially we are looking at five billion tonnes of steel in India. And more iron ore can be located every year— an argument often used by iron ore miners to allow ore exports from India. When a company gets the right to mine this ore, it can squeeze the full advantage of making steel in India. The cost of mining a tonne of ore is often ₹300-400 while prices of iron ore have been around ₹2,700-₹6,750. So, given the shift in steel making dynamics, having cheap ore at hand is like gold in your pocket.

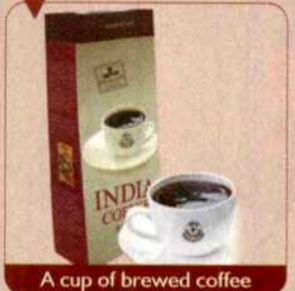
SUMAN LAYAK

Green Beans

Coffee Roasting Machine

Roasted Coffee Beans

Coffee Grinding Machine



A cup of brewed coffee

TAKE A STEP FORWARD.

START COFFEE ROASTING, GRINDING & PACKAGING UNITS.

Demand for coffee in the country has been growing very fast. Traditionally only South Indian States were considered as the market for coffee. In recent years coffee has acquired a national presence and demand for coffee is growing much faster in the non-south regions. Between 2003 and 2009 the coffee consumption has grown in the non-south regions @ 42% annually while it has grown by 3.5% p.a in the southern states. There are exciting business opportunities for coffee processing units especially in non-southern states.

Coffee Board provides **25% subsidy** with a ceiling of **Rs 25 Lakhs** per unit to individuals and firms and **40% subsidy** with a ceiling of **Rs 40 Lakhs** per unit to the self help groups and growers collectives or co operatives-on the total cost of the equipment.

The eligible items for support are : Roasting, Grinding and Packaging machineries all together or either Roasting or Grinding machinery along with Packaging machinery.

Existing units can also avail this benefit for addition of any of the components.

Eligible Capacities of Machinery : Roaster of 10kg per batch or more capacity. Commercial grinder of 15kg or more per hour capacity Packaging Machines (pedal sealing, continuous sealing, filling and Sealing form fill and sealing , automatic or semi automatic Nitrogen flushing and sealing machine, amniotic and semiautomatic Vaccumissing sealing machine) are eligible for subsidy under the scheme .

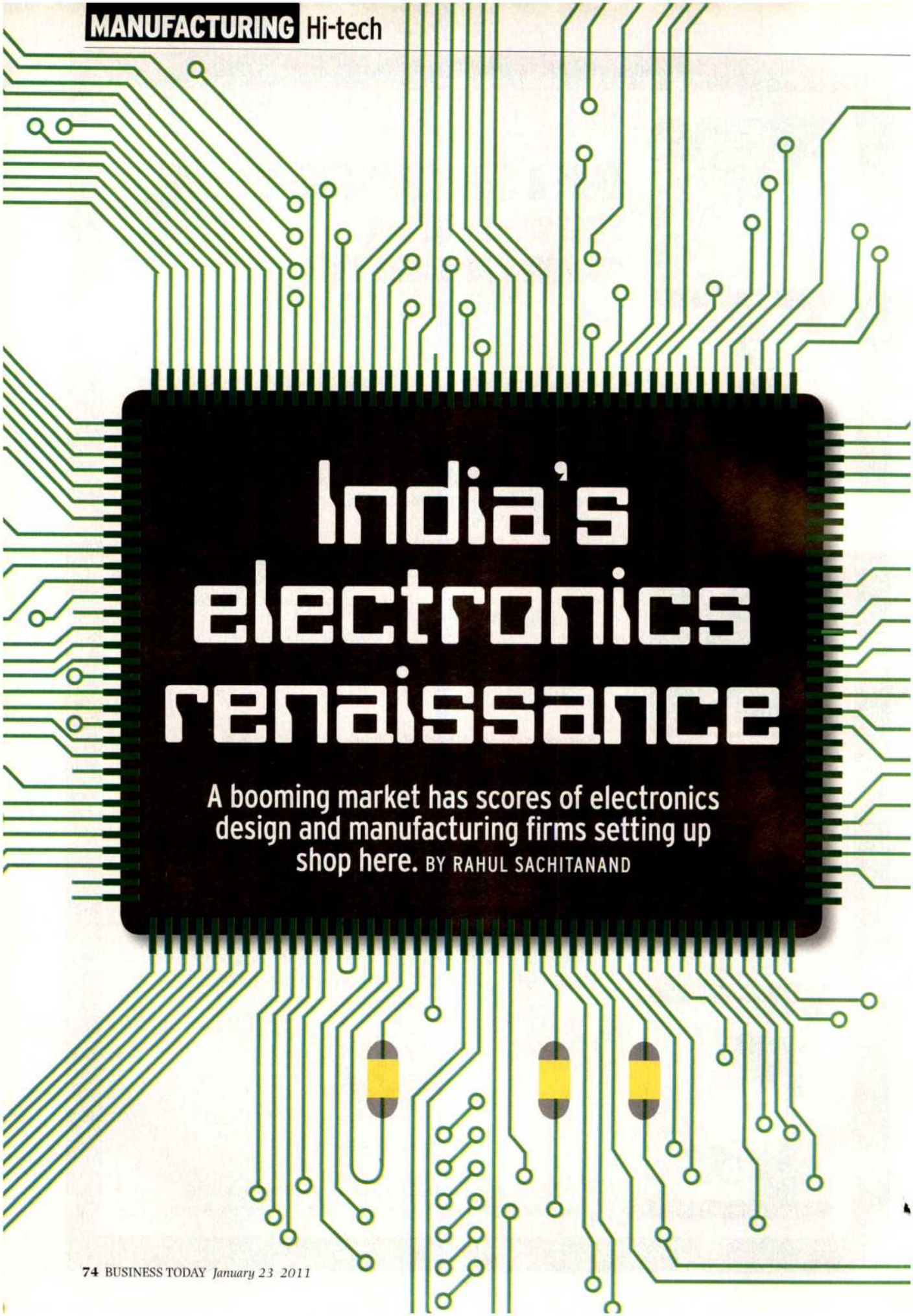
Please obtain complete details of the scheme and the detailed conditions of eligibility, application procedure etc by accessing 'Support for Coffee Processing' from Coffee Board Website www.indiacoffee.org.

COFFEE BOARD

www.indiacoffee.org

Note : This is for general awareness and should not be construed as the complete & conclusive document for the purpose of determining entitlements.

Ads Advertising



India's electronics renaissance

A booming market has scores of electronics design and manufacturing firms setting up shop here. BY RAHUL SACHITANAND

Deepak Loomba, an entrepreneur based in Gandhinagar, is dreaming big. His venture, De Core Nanosemiconductors, already has one of the largest operational semiconductor manufacturing sites in South Asia and employs about 70 people. But this is just the beginning, he says. He reckons the growing stress on energy efficiency in India means a large and expanding domestic market for his venture. "India will be one of the largest consumers of LEDs in the world," says Loomba, referring to light emitting diodes, the latest in lighting.

B. Visweswaran, a 37-year-old Chennai-based entrepreneur is aiming high as well. A former Intel employee, his two-year-old startup Wysene provides solutions that streamline the power usage of industries in India. The firm's product tracks power drawn from the state grid and from newer sources such as solar panels and windmills. The companies then can tweak their production cycle to save power and costs. "Industries could shift power-intensive processes to off-peak time when electricity is cheaper and perhaps more regular," says Visweswaran, who has also worked out a product for homes.

Loomba and Visweswaran have many others for company. The exploding electronics market in India is catalysing the establishment of a range of diverse startups. According to several independent estimates, there are some 1,000 companies now operating in this market, scattered around the country. India's consumption of electronics, says a report commissioned by the Ministry of Communications and Information Technology, could grow almost tenfold in size in the next decade to a staggering $400 billion.

Today, electronics account for the second highest foreign exchange outgo after petroleum and its products, in India's import bill. This opens up umpteen opportunities for local designers and manufacturers. It is estimated that a fifth of India's ₹927,969 crore trade deficit is from electronics. In telecom alone, analysts say India requires imports of up to $50 billion yearly, with phone service firms spending half of their revenues on equipment imports. For example, in the $6-billion wireline telecom market, only half of the products are made locally. Or consider the wireless infrastructure: imports account for some 60 per cent of the $8-10 billion equipment procured annually.

Indian enterprises, including some of the biggest names in the business, have previously made unsuccessful attempts in electronics manufacturing but were stymied by a dormant local market and an unhelpful bureaucracy. Bharti, the Tatas (with Telco) and the Mahindras, have all made forays. But things appear different now, says the industry, with a booming domestic market. Beside cellphones, India is a leading market for televisions, VCD/CD players and other consumer electronic products. This opportunity could also generate four to five million jobs, many of them blue collar assembly and testing roles, according to the Indian Semiconductor Association, or ISA, the industry body.

The domestic market straddles diverse industries such as telecom, power, health care, defence and even entertainment. The evolving domestic electronics industry combines India's strength in software and newer skills in computer chip design along with some skills in hardware and semiconductor manufacturing.

The More the Merrier

The people starting up, too, are diverse. For example, in a suburb in northern Bangalore, Sankara Reddy, who worked for 15 years at the Indian Institute of Science before turning entrepreneur, has started his latest ven-

The Big Picture

The Indian electronics industry is on the fast track...

A huge domestic, import-dependent market is giving a fillip to manufacturing

Telecom, health care, utilities are leading this surge

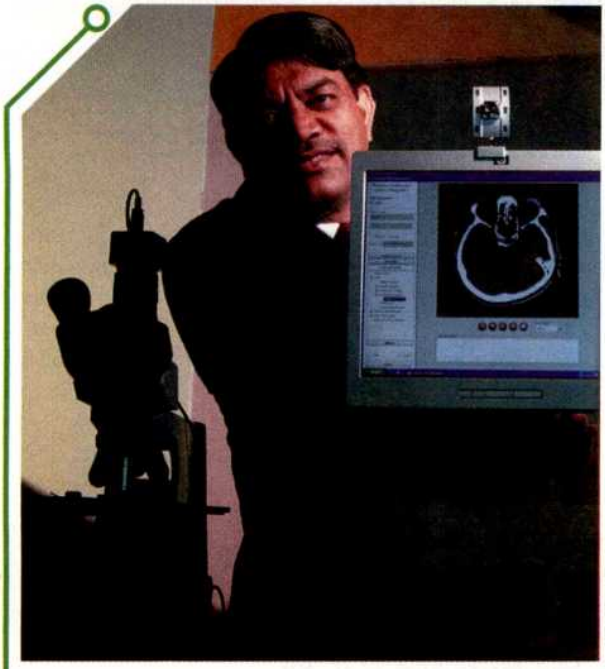
From electronics design, India could also graduate to large-scale manufacturing

... but there are roadblocks

Infrastructure has improved, but remains woefully short of global standards

Electronics firms find financing hard to nail down

Most electronics firms are still sub-scale



DEEPAK G. PAWAR

"India has a **head start over China in back-end design**"

Anant Koppar, Founder, KTwo

ture, called Terminus Circuits. With a small team of just nine people now, he plans to develop a solution to provide wireless charging for consumer electronic products. "We want to use our intellectual property to build wireless-router-like charging stations," says Reddy.

At the other end, three 30-somethings, Arijit Datta, Soumen Basak and Shamik Datta, have co-founded DiSipher Design. The trio is targeting educational institutes with its iPintentio, a software platform that helps reduce the complexity of chip design for students and professionals. "A microchip is the culmination of a complex, and often, long set of processes," says Datta. DiSipher's founders think they have a winning idea at hand as India's chip designing and eventually manufacturing capabilities expand.

The potential in the electronics industry has also attracted the veterans of the information technology industry. For example, Anant Koppar, 51, an early employee of MphasiS (acquired by EDS in June 2006 for ₹1,800 crore) and prior to that of Kshema Technologies (acquired by Mphasis for $21 million or ₹94.5 crore), is now making a fresh bet. His latest venture, called KTwo Technology Solutions, wants to lean on India's expertise in electronics — strong in design and evolving prowess in manufacturing — to devise low-cost products for India's rural millions. KTwo provides solutions to primary health centres to run basic diagnostic tests (for malaria, dengue and chikungunya) and monitor basic patient metrics such as blood pressure, heart rhythms and body temperature. Its products have been piloted in parts of Karnataka for the past 18 months. "India has a head start over China in back-end design," says Koppar.

Multinational companies, too, have woken up to the potential of India. Huawei, a Chinese telecom equipment giant, has announced a $2-billion investment in India. "India is a very important market," says Max Yang, its Managing Director in India. Huawei, whose Bangalore engineering centre is its largest outside China, has leading edge technology in mind. "Huawei will invest in developing the Indian market in terms of adopting the latest technologies such as 3G and WiMAX and developing India as a hub for training HR and sourcing," Max says.

Boutiques such as Shanghai-based Longcheer and ON Semiconductor are also betting big on India. Longcheer, which has designed mobiles for firms such as China Mobile, Haier and Lenovo, has set up a 30-people design centre at Noida, near capital New Delhi, to design phones for the local market. "India is the world's second-largest mobile phone market and is rapidly expanding," says Manu Nagar, CEO of Longcheer India. "We will cater to the design needs of domestic brands. Users are not satisfied with generic handsets and features that are available with global brands today."

ON Semiconductor, a Phoenix, Arizona-based semiconductor supplier, recently opened its India centre and wants to join the likes of Huawei and Longcheer in tapping the opportunity here. It will focus on manufacturers of UPS and inverters, energy meters and LED lighting.

Speedbreakers Ahead

Despite the potential in the Indian market and the entry of a raft of multinationals, there are plenty of roadblocks. India's strained infrastructure, with high power costs and poor logistics, threatens to play the party-pooper. "India's

Rapid Climb

The Indian electronics market is expanding at a brisk pace

2008	$35.8 bn
2009	$40.7 bn
2010	$47.5 bn
2011	$58.4 bn

Source: ISA

Building the future city

MONORAIL

ESCALATORS

ELEVATORS

DATA
STORAGE SYSTEMS

COMMERCIAL
AIR CONDITIONERS

THERMAL
POWER EQUIPMENT

TOMORROW TOGETHER

think of tomorrow before we think about innovating our products. Which is why our products are designed to create a better future for you. Be it our Data Storage tems, Escalators, Elevators, Super Critical Thermal Power Equipment, Commercial Air Conditioners or the futuristic Monorail. Hitachi is **Trusted** globally for its -friendly, advance and innovative Japanese Technology **since 1910** and in **India for more than 50 Years**. Hitachi means a better **Tomorrow**. Hitachi means building city of future, **Together** with you.

100th
ANNIVERSARY
rating 100 years of the Hitachi Group*
marks its 100th anniversary in 2010

www.hitachi.co.in/tomorrowtogether

HITACHI
Inspire the Next

first priority is probably to upgrade its infrastructure," says K. Mak, Regional Vice President at ON Semiconductor driving sales and distribution here.

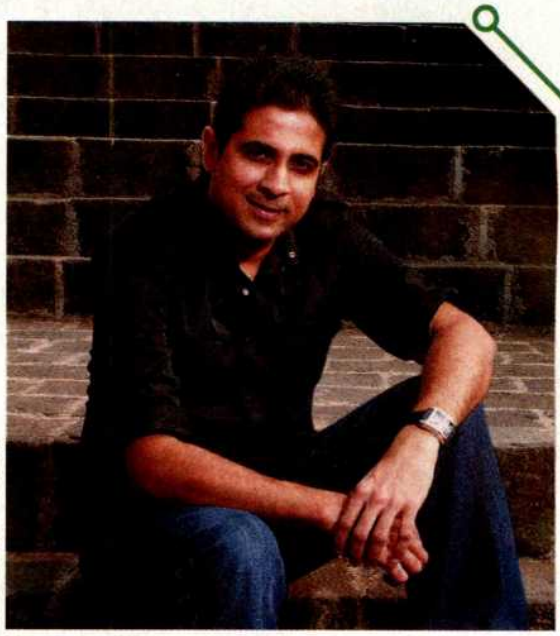
Then there is the China factor. In the last decade, China has become a global giant in manufacturing and is India's primary source of electronics imports. Indian companies will have plenty to do to catch up with their Chinese counterparts. China provides massive factories, armies of people to run them and infrastructure on-demand to attract the biggest global corporations. "Poor infrastructure, higher energy costs along with China's currency, and favourable taxation put India at a disadvantage," says Vinod Sharma of Deki Electronics, a Noida-based electronic parts maker.

But the Indian industry feels it can still surge ahead. The willingness of customers to pay more to have 'just in time' supplies of electronic components delivered locally is making up for other shortfalls. Already, India has got its toe in the door with smaller scale, customised manufacturing, and product giants such as Nokia and Dell, too, are betting big on the country. Sanat Rao, Intel's Marketing Director for Emerging Markets, Embedded Computer Division, says India can bolster its chip and board design strengths by specialising in niche manufacturing. "East Asia owns the manufacturing of large-scale chips used in large-scale electronic products," he contends, "But India can excel in designing and maybe making complete boards which need more design and customisation."

China's dominance, too, now appears to be under some threat. Tensions with tech giants such as Google have sullied China's image, and rising people costs and freight are eroding its cost-competitiveness. Josh Timberlake, Phil Schneider and Shirley Dong Terry of Deloitte Consulting, in a recent paper, *China: Still Manufacturing's Shining Star?*, have reported that salaries have risen over 11 per cent in Shanghai, shipping rates for a standard 40-foot container have risen from $3,000 in 2000 to $8,000 in 2008, and could go as high as $15,000 if oil prices continue to rise. Changes in land regulations could further queer the pitch.

Companies targeting the electronics design and manufacturing space in India, then, appear to have plenty of headroom for growth. According to estimates from ISA, employment in the industry could grow from 4.4 million currently to nearly 28 million in 2020; by that time, the sector could contribute a quarter of India's manufacturing output and reduce trade imbalance by $323 billion. That is ambitious when you consider that India's automobile industry makes up one-sixth of manufacturing in India 25 years after the first Maruti car rolled out. Little wonder then the industry is leaning on the government for breaks — and getting some, too. For example, it wants deferred payments on excise and the goods and services tax on an interest-free basis for five years and deemed export status to tap low-cost financing. Earlier in 2010, the government announced a $1-billion fund to support electronics manufacturing.

With a plethora of business opportunities on the horizon, the time of reckoning for India's electronics industry may have finally arrived. It will now have to grab its opportunity with both hands. ◆



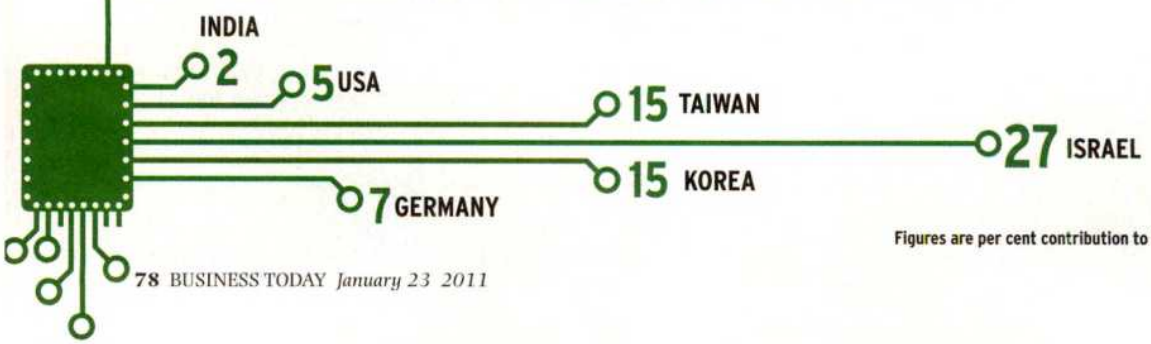
NISHIKANT GAMRE

"India can excel in designing and maybe **make chips which need more design** and customisation"

Sanat Rao, Marketing Director, Emerging Markets, Embedded Computer Division, Intel

Headroom for Growth

Electronic products account for a minuscule portion of India's GDP



Figures are per cent contribution to GDP Source: ISA

ATS
The better way home

What do you do when you've already created the best?

Surpass yourself.

The towers at ATS Paradiso, an example of ATS quality.

PRESENTING ATS ONE HAMLET

At ATS, we do not believe in resting on our laurels. In every project, we have constantly raised the benchmark and set higher standards for ourselves and for others. ATS One Hamlet is the latest and possibly the grandest residential project in the NCR and will surpass its illustrious predecessors like ATS Greens I, ATS Greens II, ATS Village and ATS Paradiso. Coming up at an enviable location just off the Expressway in Sector 104, Noida, ATS One Hamlet will have all the facilities that you'd expect from a top-notch ATS property. To find out more, call Arjun at 9654206000 or Sukhdeep at 9654213000.

ATS
ONE
HAMLET

THE FINER SIDE OF LIVING

Site Office: Sector 104, Noida. Corporate Office: ATS Tower, Plot 16, Sector 135, Noida.

email: sanjeev@atsgreens.com www.atsgreens.com

mber:
CREDAI

metalcomm.com/02251110

Piped Water, Unlimited

A desalination plant coupled with a new business model boosts Chennai's water supply. BY NITYA VARADARAJAN

Today, R. Sathyalaksmi is friends with her neighbours again. A resident of Minjur in north Chennai, she and her neighbours had been forced by circumstances into frequent spats over the past few years. Tensions, after all, do run high when you have to queue up at an unearthly hour with the family collection of plastic pots for the water tanker.

Minjur once had plenty of groundwater, but the water table was depleted by excessive use to feed the needs of a growing city, and sea water had contaminated the sub-soil water. "Lack of sleep and excessive physical work reflected on my health," says the 35-year-old mother of two. "Things look a lot better now," she says, referring to the extra supplies from a desalination plant commissioned recently. Piped water supply to her area is a reality again. So is the bonhomie among residents.

Residents in most parts of Chennai live in constant fear of a monsoon failure — the rains recharge the reservoirs and groundwater. The United Nations Development Programme mandates a minimum of 150 litres of water per person per day. So, Chennai, with its population of 10 million, needs 1,500 million litres per day. Add to that the industrial need, and the city's total water requirement is 2,000 mld.

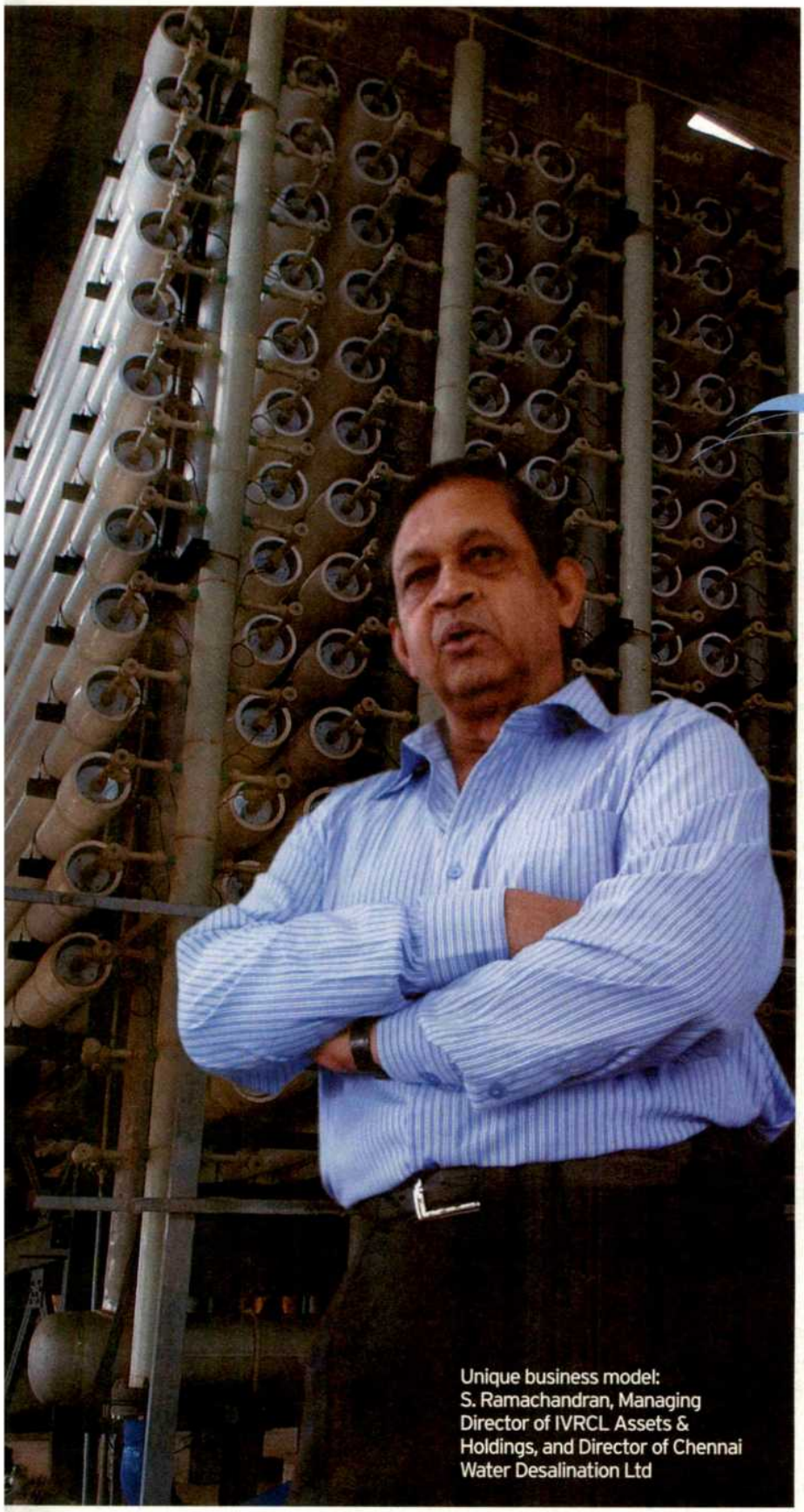
However, the Chennai Metro Water Supply and Sewerage Board, popularly known as Metro Water, manages to supply an average of 1,000 mld. People bridge the gap by getting their own bore wells dug.

With no perennial river nearby, Chennai has always depended on rainwater stored in reservoirs and tanks. In the 1970s, when its population was 1.75 million (1961 Census), the city had close to 35 lakes and tanks. Over the past four decades, urbanisation has eaten up many of these reservoirs and tanks. The population has increased to about 10 million today, but the government has built just two water supply projects. The 230-km pipeline from Veeranam Lake in Tamil Nadu brings in 180 mld and the Krishna Water Scheme around 500 mld, depending on what the neighbouring Andhra Pradesh releases from the Krishna river.

In July 2003, Tamil Nadu passed a law that made it mandatory for every house to install a rainwater harvesting system. Things were better for the next few years, with the state getting some good rains. But everything still depended on the monsoon. The state was aware of the potential of seawater but desalination was an expensive option, especially since Chennai's citizens do not have to pay for their water supply. Banks were reluctant to fund any desalination project.

That was until the identification of a unique business model by IVRCL Assets and Holdings, which then went ahead and

H.K. RAJASHEKAR/www.indiatodayimages.com



Unique business model: S. Ramachandran, Managing Director of IVRCL Assets & Holdings, and Director of Chennai Water Desalination Ltd

A TIDAL WAVE OF BUSINESS

India's municipal water supply market is worth ₹887 crore today

The market is growing at 10 per cent a year in real terms and 21 per cent in value terms

Waste water recycling could be a ₹6,018 crore business by 2015

To meet the water needs of the entire population, projects adding up to ₹10,926 crore are to be awarded over the next six years

Seawater desalination for industrial use could increase from a ₹330 crore business today to ₹821 crore in 2015

CHENNAI'S WATER EQUATION

FIGURES IN MILLION LITRES A DAY (MLD)

SUPPLY NOW IN LITRES PER HEAD PER DAY IS 100. THE AIM IS TO MEET DEMAND OF 140 LITRES PER HEAD PER DAY.

implemented it with the help of technology from Befesa of Spain, through a joint venture, Chennai Water Desalination Ltd. Its 100 mld desalination project at Minjur, set up at a cost of ₹600 crore, had the backing of Metro Water. IVRCL accepted certain facts: desalinated water is expensive, the process is power-intensive and bankers would seek greater levels of comfort and stringent guarantees for financial closure.

So IVRCL and Metro Water entered into an agreement that had a high comfort level for bankers and also lowered the cost per litre. A take-or-pay agreement bound Metro Water to pay the maintenance and water charges of ₹52 per kilolitre even if it does not take the water from the desalination plant. The state guaranteed a letter of credit. The project's financials are now backed by a ₹30-crore escrow account for upfront payment with a topping facility for two times that amount, and priority access to Metro Water's receivables. A *force majeure* clause was also included to ensure that the project does not fall prey to political upheavals.

Keeping in mind the interest charges, operation and maintenance costs, IVRCL will operate and maintain the project for 25 years before transferring the assets to the state. It hopes to generate surpluses after nine years. The long period under the build-operate-own-transfer or BOOT model ensures that Metro Water pays only 5.2 paise per litre, or ₹16 crore a month. This includes the cost of power and replacing the membrane in the filters.

"With these checks and balances, we have access to reserves necessary for working capital to run the plant for 7-8 months even in the worst scenario," says S. Ramachandran, Managing Director of IVRCL Assets & Holdings, and Director of Chennai Water Desalination.

Without this kind of commitment from the government, it would have been difficult for a private party to commission a plant of this scale, he explains. Ramachandran says Maharashtra, Gujarat and Andhra Pradesh have shown interest in the business model.

The Tamil Nadu government is pushing for more desalination plants. VA Tech Wabag, which provides water treatment and supply solutions, is setting up a 100 mld plant.

Experts such as Poornima Jalihal of the National Institute of Ocean Technology are against large-scale desalination. "They are highly power intensive and there exists the danger of ecological imbalance if the dense saline waste is thrown into the sea continuously at a particular spot," she warns.

Some suggest a balanced approach. In Chennai 400-500 mld of water is discharged into the Buckingham Canal after secondary treatment. Rajiv Mittal, MD and CEO of VA Tech Wabag, says this water can be used after proper treatment. "Eighty per cent of sewage water can be recovered, and the cost of putting up a tertiary treatment plant is about half that of a desalination plant," he says. In Singapore, Mittal says, water recovered from sewage accounts for 15 per cent of the main supply.

"Conservation and recycling may be cost-effective solutions no doubt, but for Chennai residents the Minjur project is like an unexpected downpour on a sunny afternoon," says Mittal. ◆

In April 2007, the National Institute of Ocean Technology had tested a barge-mounted desalination plant (above) with a capacity of 1 million litres a day. Positioned 40km off the Chennai coast, the plant had used low-temperature thermal desalination. It was dismantled after a brief but successful run and the institute now wants buyers for this technology.

AMRAPALI GROUP
An ISO 9001:2000 Company
Developing India

MAIL TODAY
News for the new world

MAIL TODAY & AMRAPALI GROUP presents

Rahul & I

Asha Bhosle re-lives the magic of RD
Live in Delhi

21st January, 2011,
Sirifort Auditorium
ENTRY BY INVITATION ONLY.

FLY KINGFISHER
Travel Partner

दिल्ली सरकार HEADLINES TODAY
TV Partner

OYE! 104.8 FM SABSE FILMI
Radio Partner

Graphisads
Outdoor Partner

oranjuice entertainment
Event managed by

Cognizant, Frankly

Malcolm Frank bootstrapped Cognizant — from crafting a 10,000-foot strategy to executing it daily. BY RAHUL SACHITANAND

H.K. RAJASHEKAR

COGNIZANT'S MR. STRATEGY

A QUICK BIO

NAME: **Malcolm Frank,** Executive VP and Chief Strategist, Cognizant

AGE: 44

Grew up near Cleveland. Father was an archaeologist and college professor. Mother, a Scot, was a doctor

EDUCATION: Went to Yale

MILESTONES:

- College-level American football player
- First job as a commodities trader
- First IT job was with Cambridge Technology based on MIT's campus
- Grew Cambridge Technology from a 50-person firm to a 6,000-plus firm
- Founded NerveWire and sold it to Wipro in 2003

Malcolm Frank came into the world of software services almost by accident. The one-time college football player was trading gold, copper and crude oil on Wall Street when a chance meeting with John Donovan, Founder of Cambridge Technology Group (CTG), led to his conversion.

Cambridge Technology Partners, a spin-off from CTG, was a start-up focused on client-server consulting on the Massachusetts Institute of Technology campus. Frank took the plunge joining the 50-person unit in 1990 and, in a decade, saw it grow to be a 6,000-plus-staff firm. CTP was among the early information technology firms to go public in 1993, before it was snapped up in 2001 by Novell.

Frank — 44 today and driving strategy at Cognizant Technology Solutions for the last five years — rose to become Vice President at CTP, learning how to build a brand, managing public expectations and listing a company. That helped him ride his second wave when he founded NerveWire, an Internet and IT consulting firm, which was sold in 2003 to Wipro in a poorly-judged deal. His last start-up, CXO Systems, had Cisco Systems backing it in 2004 before taking over two years later.

His fourth wave is at Cognizant. The New Jersey-headquartered IT firm, which runs most of its operations from its centres in India, including Chennai and Bangalore, hopes Frank's success in the past will rub off on it. He brings on the experience of spotting patterns in different economic cycles and advising Cognizant on what works best.

Lakshmi Narayanan, now Vice Chairman of Cognizant, was swayed by those skills of Frank a week after he came aboard. Over a traditional south Indian lunch, Frank pushed Narayanan, then CEO, to look closely at the evolution of the industry from a centralised computing model to a client-server model and to one centred around mobility. "He got us thinking strategically...this is how we recognised that the future is in mobility and 'anywhere computing,'" says Narayanan.

Now, the tech industry is on the cusp of what Frank calls "the social enterprise" — where companies will outsource not just their IT requirements but also engage with outsourcers to manage the entire knowledge processes that will require specialisation. For instance, from drug discovery to clinical trial simulations for the pharmaceutical industry.

The advent of the millennials (employees born in or after 1980) will queer the pitch more, Frank argues. The company's in-house tool called Cognizant 2.0 wants to ride this trend, providing a virtual platform to its army of coders to collaborate more effectively. "The process (used today to solve a problem) is ponderous — you get everyone in the same room, use the same tools to find a solution," he says of the archaic work processes in his industry.

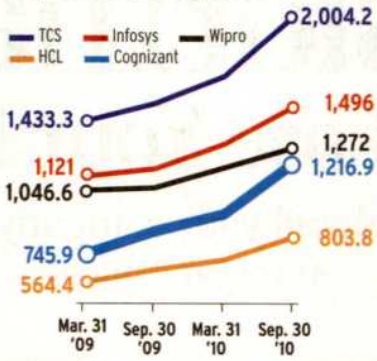
With Cognizant 2.0, when a new project kicks off, any employee can check if the company has done similar work earlier, pull out case studies, best practices and templates from the system. The employee can search for domain experts, form an e-group and reach out to them. Customers, too, can access the platform to monitor a project's progress.

While India-based market leaders Tata Consultancy Services, Infosys Technologies and Wipro were the first to tap the potential of the IT industry's global delivery model, Cognizant has made some tweaks to its business model to gain momentum in recent quarters. It keeps its margins relatively low (see *...At Low Margins*), preferring to invest in domain expertise and sales and marketing, a strategy driven by Frank. As competition intensifies and consolidation gathers momentum, Frank believes this will be a key differentiator for Cognizant.

Second, Cognizant focuses on only four key markets — financial services, life sciences, manufacturing and retail. That strategy has paid off so far with customers ready to engage for the long term. For instance, the firm started working with 3M, the maker of products ranging from Post-it to Scotch-Brite, nine years ago on just IT application services. The relationship has since grown to include outcome-based development contracts for software used in research, supply chain and manufacturing. 3M is an early user of Cognizant 2.0.

Expanding Revenues...

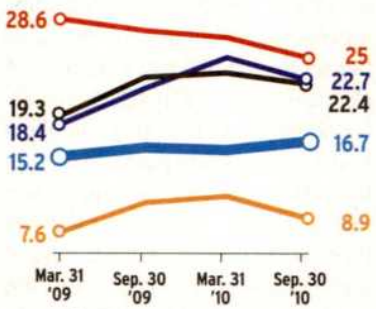
Cognizant is growing fast.



Figures in $ million — Source: Companies

...At Low Margins

Its profits are conservative on purpose.



Figures in $ million — Source: Companies

Kunal Sangoi, a tech analyst with Mumbai's Edelweiss Research, marvels at how Cognizant has ramped up its customer-facing teams. Since 2007-08, the size of the sales and marketing team at Cognizant has nearly doubled to 950 people from 500, compared to 800 from 604 at Infosys and 560 from 425 at Wipro. "The company is aggressive and doesn't shy away from making heavy investments in building its front end, even if that comes at the cost of profitability," says Sangoi.

If you ask Frank, future growth won't come from big buyouts but from buying companies of $80-100 million revenues or "perhaps up to $200 million". He dismisses rumours of a $1-billion deal to buy India's top business process outsourcing or BPO services firm Genpact. "What would we do with 41,000 people? It would be dilutive to our earnings, culture and management focus." He prefers deals like marketRx, an analytics and IT services specialist, a buyout that analysts say gave Cognizant industry-leading BPO margins. One estimate puts Cognizant's BPO business revenues at $100,000 per employee, which is more than three times what some of its rivals make.

Still, Frank knows the firm can't get complacent now. The decades-old linear business model of adding employees at the same pace as revenues is nearing its end. "The industry needs to make the painful switch," he says. "We need to move to a model which is focused on intellectual property with some labour arbitrage, rather than the other way around."

Fifteen years after the firm was germinated as a joint venture between Dun & Bradstreet and Satyam Computer Services, Cognizant is beginning to snap at the heels of its more established competition. Not only has it outpaced Infosys in its key financial services vertical, if its growth sustains, analysts expect it to overtake Wipro in revenues in the next couple of years. That will be another wave Frank would have surfed. ◆

Harvard Business Review
EXCLUSIVE
www.hbr.org

Accelerating Corporate Transformations (Don't Lose Your Nerve!)

Six mistakes that can derail your company's attempts to change

BY ROBERT H. MILES

Ask any CEO who has overseen a corporate transformation what should have been handled differently, and you are likely to get this answer: "We should have — and could have — moved faster."

Such executives have a long list of regrets: They wish they had unified the leadership team right away. They wish they had engaged employees sooner and quickly drummed up support for the new vision. They wish they hadn't waited so long to test their assumptions and refine their key initiatives. And they wish they had generated some visible returns early on, to accelerate the commitments and reinforce the expectations of employees, customers, suppliers, and investors.

Any corporate transformation—launching the next major phase in an organisation, executing a new corporate strategy to achieve breakthrough performance, enabling a new executive leader to take charge, or integrating an acquisition — is fraught with challenges. More than 25 years ago, I began chairing an innovative programme that convened groups of CEOs and their executive teams for two-week sessions at Harvard Business School, where they collaborated with faculty members and noncompeting peers on solving their most serious challenges. They met again nine months later to share their experiences. Within a few years, a clear pattern emerged from the programme: The biggest barrier to corporate transformation was getting organisations to execute their bold new ideas quickly. Since then, from my direct involvement as principal process architect in more than 25 corporate transformations led by new and sitting CEOs, I've concluded that many talented executives don't fully appreciate the following subtle but powerful insights:

• Transformation launches must be bold and rapid to succeed. Yet, embedded in most organisations are six kinds of "speed brakes" that can slow things down to a grinding pace.

• During business-as-usual periods, these brakes may be irritating, but their effects on performance are reasonably benign. However, during a bold transformation, which requires rapid action, any one of them can derail the larger effort.

• To accelerate transformations, managers need to release each of these brakes, in a particular order.

Let's examine the different types of brakes and discuss how and when to release them.

SPEED BRAKE #1
Cautious Management Culture

When companies pursue variations on the same business model for an extended period of time, they become preoccupied with incremental improvement. Rather than teeing up big ideas and targeting big results, executive decision makers try to

avoid big mistakes. They hunker down in their respective areas of responsibility, believing they are too busy with daily operations to get involved in reimagining the entire business. The problem is, transforming an enterprise requires intensive cooperation among executive peers. Strong traditional units have to share resources with unproven or underperforming units, and often they must sacrifice something they value for the good of the whole.

An incremental, parochial mind-set also affirms the traditional executive pecking order. Those who control the most resources or institutional assets tend to monopolise discussions, trump new ideas, and strong-arm decision making, thereby reinforcing the status quo. The management culture in the US automotive industry was so cautious a couple of decades back that General Motors had to create Saturn, a geographically separate greenfield subsidiary, to free up the executive attention and the design and development resources needed to respond to the small-car challenge of foreign competitors.

In a conservative culture, no one is certain that the leader in charge will stay the course on a transformation agenda. Typically, a history of half-baked, half-hearted, and half-lived change programmes undermines confidence that the current challenge will be treated any differently. Without a clear vision and definite commitment from above, even the most capable and energetic members of the leadership team will hesitate to raise new ideas for moving forward — and the less-proven executives will feel even more reluctant to speak their minds about what is wrong and how to improve things.

Successful transformations call

The No-Slack Launch
Day-to-day processes can get in the way when you're trying to get a corporate transformation off the ground. The solution? Create a compressed launch process that runs in tandem with established systems.

for a rigorous confrontation of reality, both external and internal. But all that work will be wasted if the leader hasn't paused to establish that all executives must help chart the new course. Every member of your management team must understand the requirement to take an active role — no exceptions. If you permit wallflowers during the planning phase, they are likely to cast long, passive shadows over the organisation when it is time for execution.

Beyond mandating involvement, you have to provide safe passage — enable managers and employees to be brutally honest about what they see as the company's greatest weaknesses and encourage them to contribute ideas on how to launch the transformation and keep it going. You can start by getting the leadership team to agree on a simple set of ground rules for discussing ideas, engaging in critical thinking, and making decisions. Be ready to enforce them, because team members are likely to revert to their old ways if you don't.

Next, clearly spell out how everyone in the organisation will move from the current state to the desired new state. You must describe the major steps and deliverables in your launch process as well as how and when people at different levels in the company will become engaged in the transformation launch and journey.

After that, have an objective third party conduct a round of interviews with key leaders about what's working or not working and what's the best way to proceed. Guarantee anonymity, and assemble the findings in an unattributed, verbatim fashion. In addition, gather fact-based insights from inside and outside the organisation to test the assumptions underlying your new business model.

Once you've completed those tasks, convene a well-designed "confronting reality" event so that you and your team can work your way through all of the new information to develop and refine the vision and supporting business model. And then road test everything in the organisation before drawing conclusions and finalising the transformation plan.

The above steps will enable you to quickly address important issues and make difficult resource-allocation decisions. By avoiding a false start with your management team, you won't have to revisit strategic questions, redo key elements of your business model, or reprioritise initiatives — all of which would bog down your launch and sap energy from execution.

SPEED BRAKE #2

Business-as-Usual Management Process

In most cases, the day-to-day management process is already operating at full capacity when the firm's leaders sound the call for big change. There isn't room within established systems to plan and launch a transformation — in fact, they often get in the way. Forcing the launch process into the organisation's preexisting calendar of meetings will give short shrift to this important work and not allow adequate time for the structured dialogue that's so essential to breaking new ground.

The solution is to create a turbocharged, no-slack launch process that runs on a separate track and promotes both high speed and high

If team members feel they don't have quite enough time, you probably have the pacing about right.

engagement. Running a no-slack launch alongside the routine management process for a few months will enable you to accelerate the transformation, gaining not only precious time but also energy, commitment, and momentum (see *The No-Slack Launch*).

You'll need to lay out for the management team, and then for all employees, a road map with specific waypoints and dates. The road map must be spare. With proper preparation and good design, your team and the ones reporting directly to it should go from confronting reality to finalising initiatives in three to four meetings, interspersed with prework, testing, and refinements. The accompanying schedule must be highly compressed. If team members feel they don't have quite enough time, you probably have it about right. When people receive a few extra weeks to complete a step, they often wait until the last week or so to bear down. Just a few extensions can balloon a three-month launch phase into six months or even a year.

The senior executives should each be asked to help craft one of the transformation initiatives and later to oversee its execution companywide. They will perform these cross-organisational duties in addition to being responsible for their own departments' progress on all initiatives. By performing both roles, executive leaders will greatly increase the transformation's traction.

The no-slack launch stands in stark contrast to the counsel that everything must be perfectly prepared ahead of time, with troves of analysed data, a completely articulated strategy and new business model, and all the right people in the right positions. Many leaders who follow that advice find themselves shunted onto the side tracks, still waiting to fire up their engine as the market roars by and valuable employees leave to find better vehicles to advance their careers. Preparation is important, but not at the expense of motion. And motion is critical, because it allows you to accrue small victories that entice the undecided to come on board.

Perhaps the most important reason to get moving is that every day of action accelerates the cycle of organisational learning and adaptation. The moment a solution is envisioned, put it into play. If it proves to be faulty, quickly drop it — and chalk it up as a lesson to apply to your transforming business.

SPEED BRAKE #3
Initiative Gridlock

Executive leaders may lack the insight and courage to discard efforts that have come up short. A common fear is that if they admit they've chosen a wrong path or gotten the timing wrong, they will lose their ability to motivate the team to try other things. So instead, they pile new initiatives on top of the ones that are struggling — and the result is gridlock.

SIMPLE MEETINGS

The executive vice president of human resources at a global big-box retailer reflected, "The agenda, the meeting design, and even the questions asked need to be simple. This lets people focus on the thinking rather than on running through a complex programme. The value is in the discussions with one another."

Initiative gridlock often starts simply, innocuously. Suppose that Finance puts new tools in place to better control overhead costs. And then Human Resources introduces a new employee performance management system to better identify top contributors. Marketing initiates a campaign to boost sales of new products. Manufacturing kicks off a Six Sigma programme that will eventually touch Marketing, Sales, and Finance. And the top executive team embarks on a culture-change effort to improve morale and retention (ironically, the low morale stems from too many initiatives overloading the system and the people). Individually, each project makes sense, but when launched simultaneously, with no regard for strategic alignment or prioritisation, these multiple layers of activity easily overwhelm the organisation.

Executives who try to stuff too much into the organisational pipeline will clog it. Workers' capacity to execute will become a choke point if the programmes are not prioritised and sequenced.

The best response is triage. In the most successful corporate transformations, managers restrict their action agendas to three, or at most four, well-articulated companywide initiatives — each one containing only two or three carefully selected areas of focus tied to clear outcome metrics. When you start multiplying the initiatives by the areas of focus, you'll quickly realise that exceeding this guideline will gridlock the organisation.

For example, a new CEO's first order of business at a global retailer was to disband 1,000 teams and work with a largely inherited leadership team to distil three crucial initiatives from all the complexity. Having to oversee and guide the work of so many teams, the previous CEO had led the whole company into gridlock. When the new leader's compressed transformation agenda made it possible for everyone in the organisation to focus time, attention, and resources on the turnaround, people were able to contribute much greater value to the effort. As a result, the retailer dramatically improved shareholder value, customer satisfaction, and employee retention by the end of the first year. If the transformation agenda hadn't been tightened, managers and employees would have been forced to develop their own ways of coping with directionless

and oppressive gridlock.

Focus is not about doing more with less; it's about doing more on less. Making choices about what not to do so that resources will go to the most important initiatives is not easy, but it must be done to release this brake on your firm's transformation.

SPEED BRAKE #4

Recalcitrant Executives

Protracted tolerance of recalcitrant team members, or of those who are incapable of performing within the expectations of the transformation agenda, constitutes another inhibitor. Many executives, even if they acknowledge this problem, choose to avoid conflict and hope that the clarity and efficacy of their grand plan will quickly win people over. And they're mostly right. After the top leader creates safe passage, establishes a reliable process architecture geared for speed and high engagement, and brings performance and behaviour expectations into sharp focus, many team members will commit to the new transformation agenda.

But what do you do with the senior executives who do not come aboard? More important, how soon do you need to act? The simple answer is sooner rather than later, or run the risk that just one or two people will disrupt the speed of your organisation's progress from planning to achieving breakthrough results.

The best approach: to quickly identify and confront executives who might undermine transformation. Even during the first few weeks of your launch, time compression helps to highlight three types of managers who could cause problems:

QUICK STARTS

Nothing builds a sense of urgency like visible progress and early wins. At the beginning of the launch process, target a few high-value initiatives or obvious obstacles for immediate action. These "quick starts" will serve as early symbols of the seriousness of your transformational intentions. The boost in energy and momentum will be palpable.

- the quick adopters, who jump aboard before they fully grasp what is involved and who view mastery of the new agenda as a springboard to success;
- the deniers, who harbour a deep foreboding about being on the losing end of the inevitable power and resource shifts in a reinvention; and
- the commitment averse, who may not believe in your approach but remain on the fence, possibly because they see that the transformation is beginning to bear fruit.

The more focused and explicit your launch process becomes, the easier it will be to identify the one or two members of the management team who could undermine the whole effort. Deal with those individuals first. That will send a strong signal to the other members of the team as well as to the rest of the organisation that you mean business. Then you can coach people to rise to the transformation challenge.

SPEED BRAKE #5

Disengaged Employees

Only after you have dealt with leaders who will not commit to the transformation can you attend to employee engagement and motivation. But it is essential to confront the latter issue as quickly as possible because disengaged employees can really slow down your progress.

Many transformation efforts stall because the great ideas and strategies never make it far enough down in the organisation to have an impact on the people who relate directly to customers or make the company's products. If you can't rapidly engage all employees and get them to commit to the agenda initiatives early on, the top team may move on to new challenges and strategies before your initial message reaches the full organisation.

Most employee programmes established to support a transformation aim to combine training and development with employee alignment and engagement during the launch period. Employee events during launch — often held off-site — usually take place over several days, sometimes a week or two. But such events won't do a bit of good if you (a) wait too long to hold them or (b) fail to engage and align employees from the outset.

The CEO of a global semiconductor company undergoing a turnaround spent several months with the top three levels of management building the basic constructs of the transformation before deciding it was time to bring all 50,000 globally dispersed employees aboard. The CEO decided to assemble a team of HR professionals to lead the global rollout of a five-day communications and competency-development programme, but securing employees' engagement, alignment, and commitment in achieving the new initiatives was left for a follow-on programme. By the time the second programme reached all employees,

As the excitement of the launch wears off, some executives may lobby for old, familiar methods that are more to their liking.

almost two years had passed, and the company was shifting to the next phase in its ongoing transformation. Because employees had received extensive training before they were properly indoctrinated, many were not sure what specifically to do in their jobs to contribute to the first phase of the company's transformation.

A much better response is to deploy a rapid, high-engagement, all-employee cascade. Contrast the approach described above with the experience of a major retailer that took only a few weeks to engage and align its 40,000 employees around the world with its transformation plans and initiatives. On the first day of the cascade, the regional vice presidents (executives three levels below the CEO who had been part of the intensive, three-month, no-slack launch) gathered in a room with their district managers. The major initiatives were presented, one at a time — and then the regional VPs, sitting at tables with their teams, shared the commitments they had made to drive each initiative before facilitating a discussion about how their district managers could contribute. At the end of the day, all participants turned in their preliminary commitments to action in their immediate areas of responsibility. Within one week, the district managers met with their regional VPs to finalise their commitments; a couple of weeks after that, they gathered for a day with all the store managers in their districts and went through the same process, which the store managers repeated with their teams. The cascade concluded with a three-hour company-wide event early on a Sunday morning, right before doors opened to customers at all 800-plus stores.

Discussions were entirely devoted to rapidly engaging all levels of employees in the launch and establishing clear line-of-sight accountability for the major transformation initiatives from top to bottom in the organisation. A conscious decision had been made to defer essential training and development until managers and employees were engaged and committed, because then people would be better motivated to learn. The entire global high-engagement cascade took less than two months to complete.

THE TWO-DRAWER METHOD

The internal due diligence process in a large retail company uncovered an underground survival technique: an unwritten "two drawer" method for keeping up with all the corporate initiatives for transformation. All new memos about initiatives went into a desk drawer. If anyone from corporate followed up on a memo, it was pulled out and tagged for action. At the end of the month, if nobody called about the rest of the memos, that stack was moved to a second drawer. And after two months, anything left in the second drawer was thrown away.

PERILS OF HESITATION

Reflecting on his successful corporate reinvention several years after the fact, a high-tech CEO said, "We had one or two executives who I knew from the get-go were not the right people, and there were two or three others who over time basically came to me and said, 'What the process expects of us is too hard.' So part of the defining moment for me was determining who was going to stay on the team and who was going to go. Don't hesitate. Give yourself 90 days in total to do all the assessments and evaluations. But after 90 days, make those changes. Don't wait two years for people to quit on you."

SPEED BRAKE #6

Loss of Focus During Execution

Once you have executives and employees on the road to reinvention, it is important to keep them focused on the journey by setting concrete and visible intermediate goals. The last thing you need is an early chorus of "Are we there yet?" from the people who led the planning and launch phases. This is critical, because the more intensive and engaging the transformation launch, the harder it can be to sustain the heightened levels of energy, focus, and performance.

After working on alignment and commitment in the cascade sessions, people really do need to get down to the business of delivering on their commitments. Sometimes, the shift from planning to doing is mistaken as a departure from the big ideas that were the grist of the launch phase. As the day-to-day grind retakes centre stage during the first quarter in the execution phase, old habits can gradually sneak up on the system. Leaders who had begun working in a more open and engaging way might switch back to command-and-control mode or turn their attention to other important activities. Priorities set in the launch phase will be challenged as people respond to more-immediate pressures to meet tactical goals.

You may begin to feel that you've done your part and that it is now time for the team to execute — but you must continue to actively champion the transformation initiatives by modelling the new desired behaviours. In addition, you must resist the temptation to constantly add new ideas to the mix to provoke or stimulate employees.

The transition from launch to execution is vulnerable to three predictable slumps. They cannot be completely avoided, but they are recognisable, and executive leaders and general managers can minimise their drag on the transformation effort. The moment you hear the words "Hey, we're over the hump," you are

about to hit the first one. Here are some ways to work through them.

Postlaunch blues. It can be tough for a leader to switch from playing a visionary role to serving as "ballast and keel," but that is just what is needed after a strong launch, because a real transformation is about execution. The top leader has to make sure managers at all levels receive and relay a consistent message about the need to drive the key transformation initiatives in the agreed-upon manner. One way to signal your shift into execution mode is to start weekly staff meetings with a review of progress on transformation initiatives, calling attention to people and plans that have drifted out of alignment and noting early lessons that need to be quickly shared.

Observable leadership behaviours such as this will renew faith that management is following through, build confidence that everyone is headed down the right path, and reinforce accountability to the commitments made during the planning. These behaviours will keep the transformation energy high and everyone's focus where it needs to be.

Midcourse overconfidence. The next major slump typically comes after two quarterly checkpoints have passed. The transformation initiatives are now well understood, and results have begun to register. A feeling of smooth sailing can set in.

You should not, however, turn on the autopilot. You will encounter unexpected execution challenges. The business model will need refining, and you will need to tweak initiatives based on lessons from early execution. As the excitement of the launch wears off, some executives may lobby for old, familiar methods that are more to their liking and better aligned with their existing skills. If you do not step up to affirm the commitments to transformation that have been so carefully put in place, other leaders may try to undo all the hard work that got everyone focused and moving down the new path.

RAPID EMPLOYEE BUY-IN

A year after a very successful turnaround, the retail CEO who oversaw it remarked in a magazine article, "The biggest surprise was how quickly people said, 'Count me in. Let's go!' I knew it would happen. I just didn't think we'd get there this fast."

LAUNCH REDUX

As you move out of the first year of execution and into the second, you'll need to reprise a streamlined version of the no-slack launch: Refine the major transformation initiatives, close any gaps that emerged during the performance year, and recommit everyone to the transformation effort.

One of your biggest midcourse challenges is to keep the transformation process focused, energised, and fresh. Beyond conducting a rigorous midcourse assessment of the transformation process itself, an effective way to increase both speed and traction is to hold quarterly checkpoint meetings that involve the top three levels of leaders and immediately follow each of them with mini-cascades, interventions that take place throughout the company.

Mini-cascades don't have to be expensive, time-consuming, overly produced events. In fact, it's better if they take only an hour or two each quarter and are folded right into regular operations. For instance, field supervisors on a construction site can chat with employees over coffee and doughnuts on the tailgate of a pickup truck before people start working. The important thing is to keep everyone, not just top executives, engaged and informed so they can make timely adjustments to accelerate progress.

Presumed perpetual motion. As the first performance year comes to a close, many executives will succumb to the presumption of perpetual motion — the idea that things will continue to progress if the company simply sticks with the year-one game plan. You'll even hear a few executives say, "Let's not go through that again!" But the fact is, a fresh look at everything is necessary.

You'll need a "launch redux" to boldly kick off the second year of execution. Now that the organisation has given the transformation initiatives an extended test drive, the leadership team should reexamine them and the thinking behind them, drawing on everyone's experience to make informed changes. Having been through all this before, the leadership team should be able to accomplish the launch redux in a rigorous but streamlined manner.

Even one of the speed brakes can bring an entire corporate transformation and all related breakthrough-performance aspirations to a sudden halt. Some of the methods for releasing the brakes may seem counterintuitive. For instance, it might not be obvious at first how you can accelerate change by pausing to establish safe passage or setting time aside for structured dialogue, or how you can accomplish sweeping transformation by restricting your focus to a very few important initiatives. But the tactics discussed in this article will help you plan and execute a rapid corporate reinvention that actually sticks. This is a discipline that all CEOs and general managers will have to master to be successful in the twenty-first century. ◆

Robert H. Miles *is the President of Corporate Transformation Resources in Charlottesville, Virginia, and senior adviser on corporate transformations to The Monitor Group.* *This article was published in* Harvard Business Review, *January-February 2010.* *Copyright @2010 Harvard Business School Publishing Corporation. All rights reserved.*

SPECIAL DOUBLE ISSUE

HBRSASIA.ORG

SOUTH ASIA

Harvard Business Review

JANUARY–FEBRUARY 2011

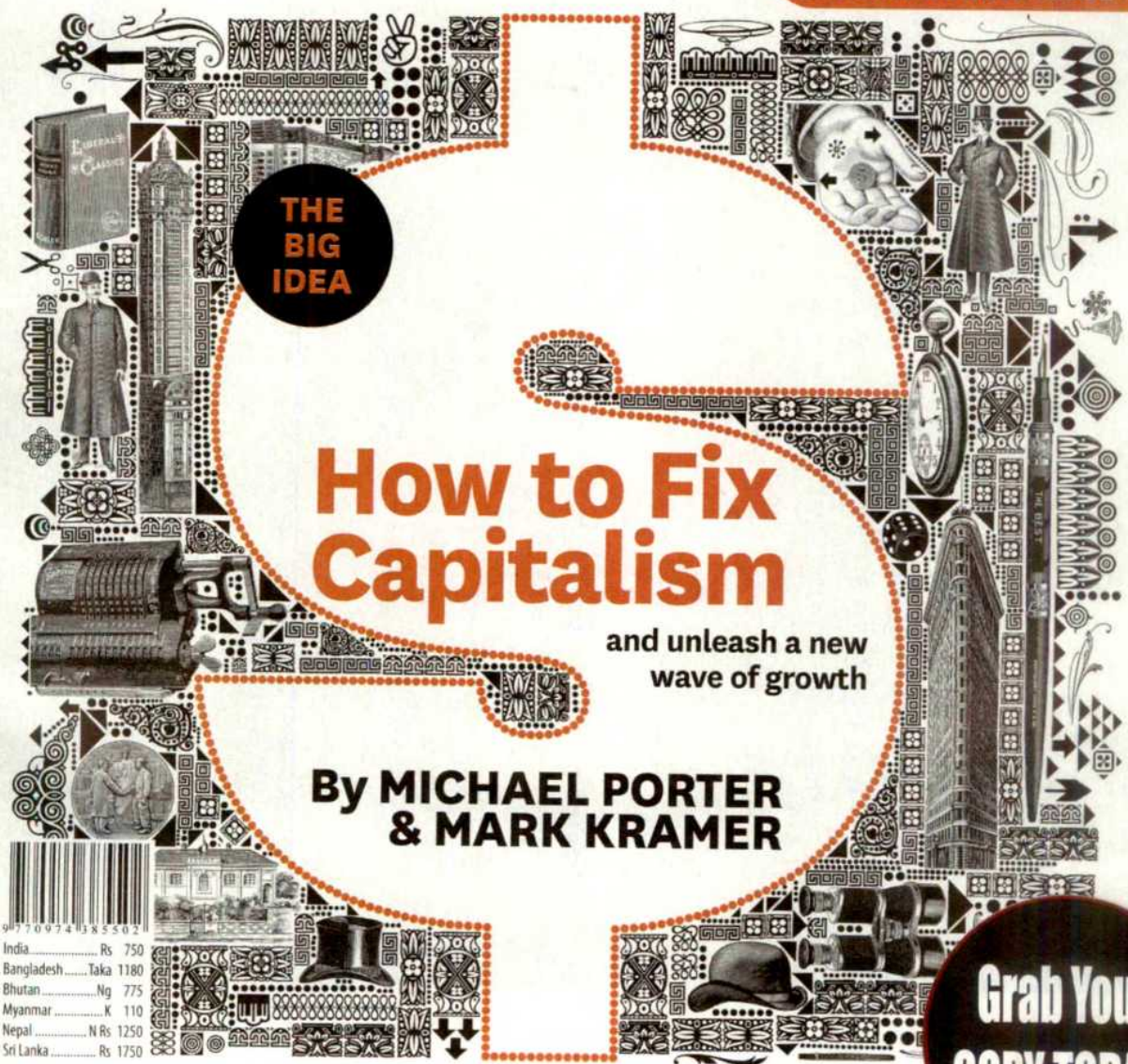
140 The Globe
Placing Corporate Bets In a Post-Recession World

112 Leadership
Are You a Good Boss—Or a Great One?
Linda A. Hill and Kent Lineback

69 Spotlight
How to Reinvent Your Business Model

PLUS The HBR Agenda 2011

SPECIAL DOUBLE ISSUE



THE BIG IDEA

How to Fix Capitalism

and unleash a new wave of growth

By MICHAEL PORTER & MARK KRAMER

India ..... Rs 750
Bangladesh ..... Taka 1180
Bhutan ..... Ng 775
Myanmar ..... K 110
Nepal ..... N Rs 1250
Sri Lanka ..... Rs 1750

Grab Your COPY TODAY!

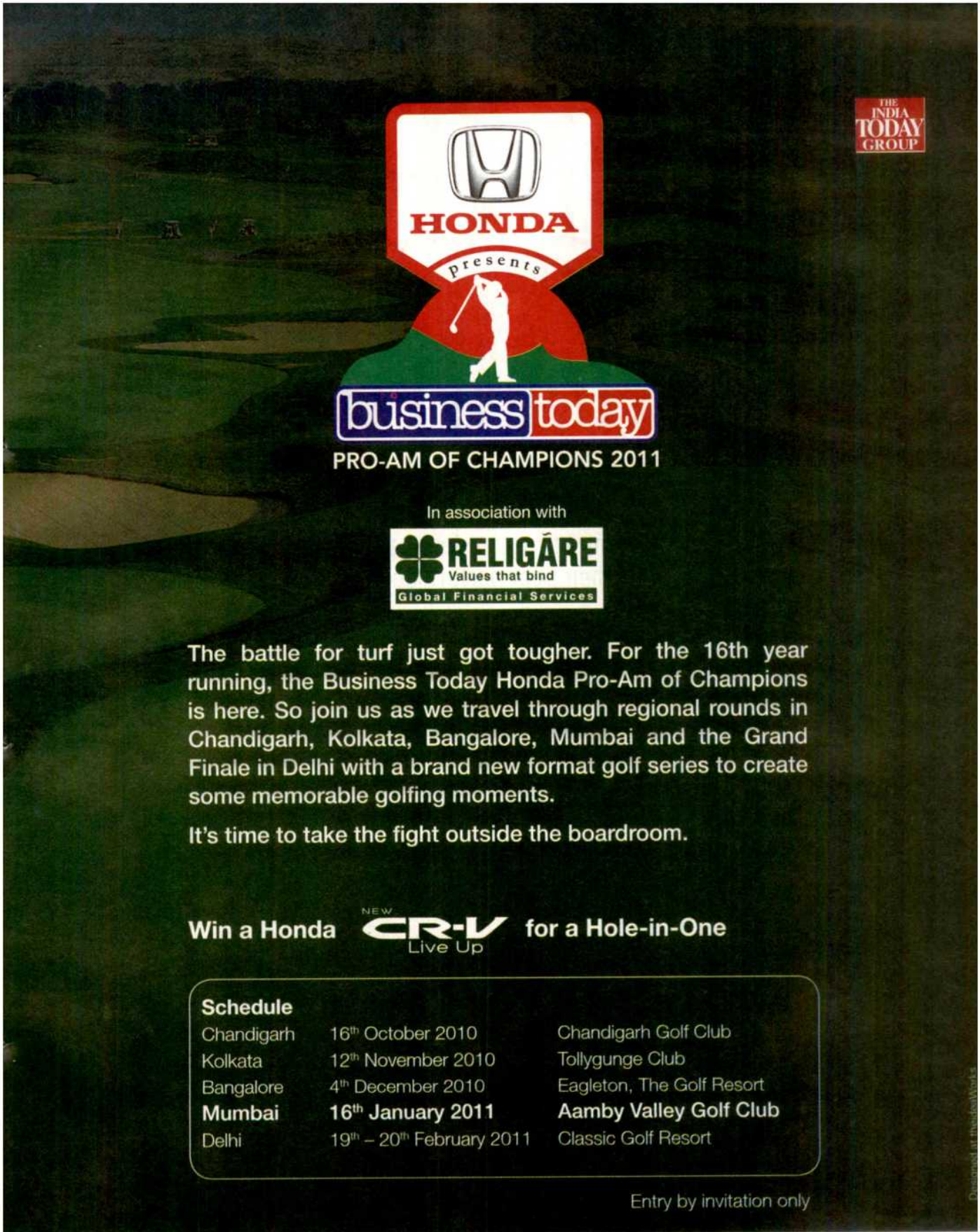
To subscribe log into www.hbrsasia.org or SMS HBR to 52424

Equipment Partner

Cleveland GOLF

Official Golf Magazine

Golf Digest



business today HONDA

MONEY

PLUS
AFFORDABLE HOUSING BOOM

Infra Funds: Growth Ahead

Infrastructure funds are likely to do well despite their poor performance since 2008. BY TANVI VARMA

Before the global financial crisis hit the markets in 2008, investors had been bitten by the infrastructure bug. New fund launches garnered a large amount of money. In February 2008, 17 infrastructure funds had raised ₹25,000 crore from the market. The first few months of that year saw most of these funds clock returns of 60-70 per cent on an annual basis.

However, since the fall of the market and its subsequent rise in 2009, investors have shunned infrastructure funds because of the sharp decline in their valuations and subdued returns. In the past year, these funds have clocked returns of 20 per cent on an average, compared with 29 per cent delivered by the Sensex. The top performing sectoral funds — FMCG or fast-moving consumer goods, pharmaceutical and banking — have returned almost 50 per cent during the period.

"The infrastructure theme was overplayed in the earlier cycle, which led to a high valuation of the sector," says Sadanand Shetty, Vice President and Senior Fund Manager (equity), Taurus Mutual Fund. "Although these funds are diversified in nature, their core holdings are in categories such as energy, power, construction, capital

EPC companies are expected to catalyse growth in the infrastructure sector

goods, metals and telecom. These sectors were hit more during the global financial crisis due to project cancellations and execution delays."

Most of the top holdings in these funds are still struggling to surpass the peak prices they had achieved in January 2008. BHEL and L&T, for instance, are trading below the prices that they were at in January 2008, ₹2,297 and ₹1,939 respectively, while Tata Steel (₹644) is trading at more than 30 per cent below its peak.

Road to Recovery

While infrastructure funds are currently lagging behind the market, the outlook for them is slowly improving.

The government is aiming for a growth rate of over nine per cent. In budget 2010-11, it has allocated ₹1.74 trillion to the infrastructure sector, which is 46 per cent of the total outlay. The allocation to roads has been hiked by 13.6 per cent to ₹19,900 crore. The increase in industrial capital expenditure, awarding of road contracts by the National Highways Authority of India and bulging order books of EPC (engineering, procurement and construction) companies are expected to catalyse growth in the sector. The latest quarterly results hint at better times ahead.

"Given the liquidity in the system, the infrastructure sector will surely attract large investment," says Amar Ambani, Vice President (research), IIFL. Ports, roads, special economic zones, airports and power will remain essential to sustain a growth rate of over eight per cent, while sectors such as coal, gas and gas infrastructure are emerging as new investment themes.

Revival Signs: The infrastructure sector is likely to see better times ahead.

Scheme Name	Inception Date	RETURNS (%) 6 Months	1 Year	3 Years
Sahara Infrastructure (fixed pricing)	Mar. '06	-1.3	-0.2	-5.5
Birla Sun Life Infrastructure (Plan A)	Mar. '06	5.7	9	-4.4
Taurus Infrastructure	Mar. '07	4.5	12	-4.3
SBI Infrastructure – I	Jul. '07	2.9	.97	-11.2
Escorts Infrastructure	Aug. '07	-1.4	1.9	-15.2
L&T Infrastructure	Sep. '07	2.7	4.9	-15.4
Religare Infrastructure	Oct. '07	4.4	9.1	-7.7
JM Agri & Infra	Jan. '08	-7.8	-13.4	NA
AIG Infrastructure & Economic Reform (Regular)	Feb. '08	3.8	8.4	NA
LIC Mutual Fund Infrastructure	Feb. '08	7.1	6.9	NA
HDFC Infrastructure	Mar. '08	8	14.8	NA
Tata Growing Economies Infrastructure (Plan B)	Apr. '08	6.9	6.7	NA
Reliance Infrastructure (Retail)	Jul. '09	-6.1	-6.7	NA
Franklin Build India	Sep. '09	6.3	10.7	NA
Bharti AXA Focused Infra (Regular)	Mar. '10	1.6	NA	NA
Baroda Pioneer Infrastructure Fund	Jun. '10	1.8	NA	NA
Sensex		**13.9**	**15.2**	**-0.3**

As on December 28, 2010

Source: Accord Fintech

Time to Invest

Infrastructure projects usually involve long gestation periods. So, investment in this sector should have a horizon of at least three to five years, say analysts.

Much like the other sectoral funds, these are also cyclical in nature. "Investors should hold on to these funds for another year or two. This may be a good time for new investments through SIPs," says Anil Rego, Chief Executive Officer, Right Horizons Financial Services.

It is important to choose an infrastructure fund with a consistent record as these funds have exhibited a large variation in returns. ICICI Prudential Infrastructure, Tata Infrastructure and DSP BlackRock T.I.G.E.R. have posted returns in excess of the broader markets in the past five years.

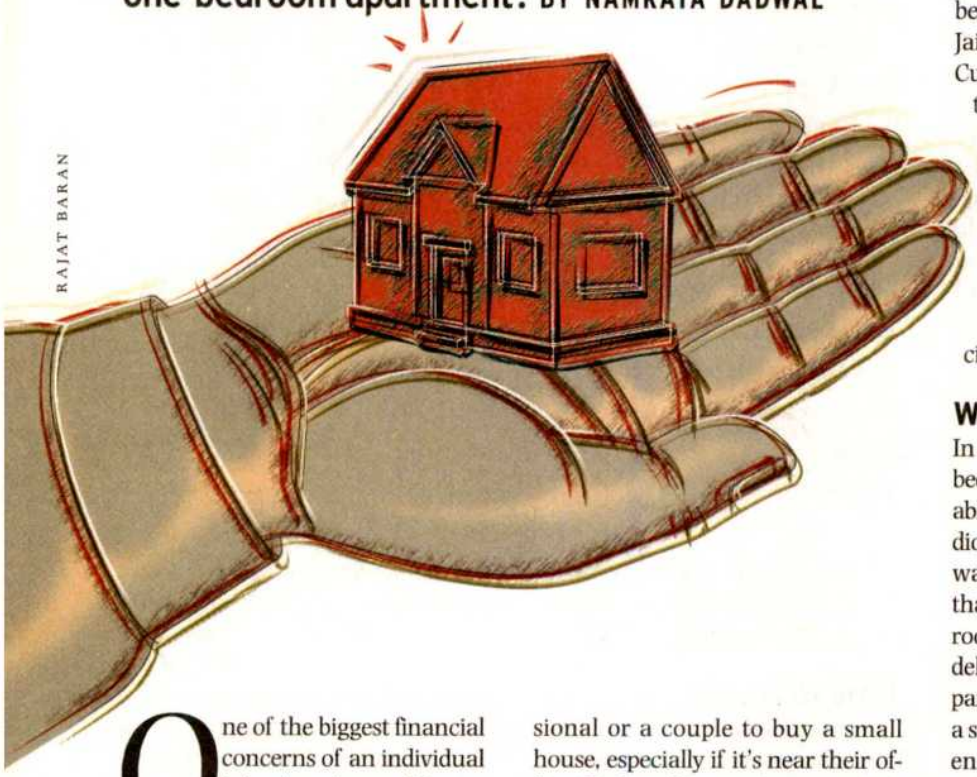
If you have just started investing in stocks and mutual funds, sectoral funds are not for you. Your exposure to sectoral funds should not be more than 20 per cent of the equity portfolio at any point, say advisers. "Given that sectoral funds come with a higher concentration of risk, it is better to hold more than one, say, a banking fund along with an infrastructure fund," adds Rego. ◆

Courtesy: *Money Today*

PHOTOGRAPHS BY SHEKHAR GHOSH

Honey, I Shrank the House

Affordable housing is the catchword now, but does it make sense to buy a studio or one-bedroom apartment? BY NAMRATA DADWAL



RAJAT BARAN

One of the biggest financial concerns of an individual is buying a house. More so as property prices continue to zoom upwards. One way to find a house that fits your budget is to shrink your requirement. Fortunately, developers have anticipated this need and have been offering projects with apartments between 300sq.ft. and 800sq.ft. However, most buyers worry whether such small apartments offer value for money, especially where the resale value is concerned.

It makes sense for a young professional or a couple to buy a small house, especially if it's near their office. Rather than paying rent, it is better to pay EMI as one also builds an asset. Most such apartments are coming up in the suburbs, which makes them cheaper than renting a room within the city limits. Also, these apartments are adjacent to industrial and IT hubs, so it cuts down on transportation cost.

"There is a steady demand for studio apartments, both in the metros and Tier II cities. They are usually the first to be sold out in a residential project because they are the most cost-effective, especially in projects close to workplace hubs," says Sanjay Dutt, CEO, Business, Jones Lang LaSalle India. As long as these centres continue to thrive, so will the demand for such apartments.

"Demand is ample and supply is trying to catch up. The demand is so high in certain cities that residential bungalows in Bangalore are now being converted into studio and one-bedroom apartments," says Shveta Jain, Director, Residential Services, Cushman & Wakefield India. Other than young professionals, developers are also targeting senior citizens, who may not want the burden of maintaining a large house. Medical tourism, too, has given a boost to the demand for these apartments, particularly those in the vicinity of specialised hospitals.

Which One Do I Choose?

In India, the terms studio and one-bedroom are often used interchangeably. The main difference is that studio apartments do not have concrete walls dividing the interiors (other than the bathroom), while one-bedroom apartments have proper walls delineating the rooms. If your company provides regular meals, buying a studio apartment with a tiny kitchenette will make more sense. For privacy, you could always erect temporary partitions. This will also help to decide the sizes of various rooms.

If you plan to stay in the same area for a couple of years, opt for an unfurnished flat. Though developers

SANJAY DUTT, CEO, Business, Jones Lang LaSalle India

"People who stay for 3-6 months in a city find it cheaper to buy a studio apartment and sell it rather than stay in a hotel"

SHVETA JAIN, Director, Residential Services, Cushman & Wakefield India

"Serviced apartments are a good investment as you earn rent and the value of the property also appreciates every year, usually by 10-15 per cent "

offer fully furnished studio apartments, they will not tell you the cost of each piece of furniture or electrical fitting. You might find it cheaper to buy and install things yourself.

Smaller apartments are also more cost-effective in terms of the stamp duty and registration charges. For instance, if you buy a house worth ₹35 lakh in Chennai, the stamp duty will be ₹4.5 lakh, but if you opt for a ₹15 lakh flat, you will have to pay less than ₹2 lakh. However, other costs, such as those for the parking slot and club membership will be fixed, no matter what the size of your apartment. In the case of annual maintenance charges, ensure that these are calculated on the basis of the area of your house and is not a fixed fee.

If you want to buy a house only as an investment, you could also consider a serviced apartment. These are fully-furnished flats and also come with a range of services, which could include a cleaning crew, a cook, laundry services and a car with a chauffeur. Though this increases the price, the rental income from such apartments is high. These can be leased to companies or those staying for a fortnight to six months. The tariffs for these apartments start from ₹2,000 per night for a 300 sq. ft. apartment, depending on the location. The monthly rent starts from ₹10,000 in the National Capital Region. Though a part of this goes to the operator who manages the apartment, about 50 per cent comes to the owner. "Serviced apartments are a good investment as you earn rent and also benefit from capital appreciation," says Jain.

Will I Get Good Returns?

Once the size of your family expands, you will obviously want to sell the small flat and move to a bigger house. But will the price appreciation of your studio apartment be on a par with that of the larger ones? "The appreciation for serviced apartments is not as high as that for a 'traditional' one, but it is usually 10-15 per cent year-on-year, a better return than most places where you would otherwise park your money," says Jain. She cites Assotech Cabana in Indirapuram, Ghaziabad, which she says has appreciated nearly 100 per cent since it was built five years ago.

Before buying an apartment, your prime consideration should be its location. Opt for a project in a suburb that has good connectivity and where new industries are being set up. Find out if any major hotels or government projects are coming up. All this will enhance the resale value of your house. "The rise in prices is a function of timing and demand. When the prices were not very high in metro cities, the houses most sought after were those with an area of 1,500-1,700 sq. ft. Now, with prices having zoomed, the demand is the highest for 1,100-1,300 sq. ft houses. Perhaps, in a few years, the dynamics may change again and flats with space less than 700 sq. ft will be the only ones that are affordable," says Jain.◆

Courtesy: *Money Today*

Size Does Matter

Here's a look at some projects that are offering small apartments across the country

City	Location	Project	Area (sq. ft.)	Cost (per sq. ft.)	Price (₹ lakh)
Bangalore	Electronic city	Ittina Mahavir	575	2,400	13.8
	Rajarajeshwari	Vaastu Lavender	562	1,775	9.97
Chennai	Oragadam	Temple Green	575	2,600	15
	Guduvancheri	Shriram Shankari	669	1,990	13.31
Gurgaon	Sector 83	Vatika Next	748	3,342	25
	Palam Vihar	Park View Residency	625	5,440	34
Hyderabad	Miyapur	Empire Meadows	580	1,810	10.5
	Madinaguda	Nugget Estates	781	2,301	18
Kolkata	Barasat	Fortune Township	655	2,650	17.35
	Rajarhat	Rishi Enclave	648	1,899	12.3
Mumbai	New Panvel	Balaji Symphony	665	4,000	26.6
	Kalyan (W)	Saket Paradise	620	3,000	18.6
Noida	Sector 137	Paras Tierrea	450	3,777	17
	Sector 168	Lotus Zing	575	3,150	18.26
Pune	Akurdi	Aishwaryam Courtyard	594	2,502	14.86
	Wagholi	Splendour County	546	2,600	15

Basic sale price mentioned. Total price of the apartments may be higher.

India Banks on these Winners.

Conservative and growth-driven banking wins hands down.

Winners of Business Today Best Bank awards 2010
with Chief Guest, Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister (centre)
and Mr Aroon Purie, Chairman and Editor-in-Chief, The India Today Group (seventh from left).

THE INDIA TODAY GROUP

MARATHON
FUTUREX
THE FUTURE OF BUILDINGS

presents

business today

Best Bank Awards

in association with

AGC NETWORKS LTD.
Powering Enterprise Communication

Congratulations to the winners of Business Today Best Bank 2010 Awards, India's most respected survey in banking. Your achievements showcase the virtue of back-to-basics banking in contrast to the woes of global banks. We acknowledge the valuable contribution of our partners and thank all those who applauded the winners at this year's awards evening at ITC Grand Central, Mumbai on December 8, 2010.

Powered by

Bloomberg | UTV
BLUNT. AND SHARP.

Knowledge Partner

KPMG

business today

PRO-AM OF CHAMPIONS 2011

A Tale of Two Cities

The *Business Today*-Honda Pro-Am of Champions ended an action-packed year with a weekend in Kolkata followed by Bangalore.

(Left to right) V.K. Chamria, Rajeev Gupta, Sandeep Bhartia and **Rajeev Himatsingka.** Gupta and Himatsingka were part of the runners-up team

Abhay Pasari was part of the runners-up side in the team event

On a Friday morning in November, for the Who's Who of business in the City of Joy all roads led to one of the oldest relics of its colonial past: The Tollygunge Club. The 115-year-old "Tolly", located in Kolkata's southern suburbs, was the venue for the BT-Honda Pro-Am, an annual event that is eagerly awaited in these parts.

It was a perfect day for a round of golf — enticing enough for all those who were contemplating taking a break from work. Barring some who could not keep their date with the event due to the exigencies of work, most invitees turned up in their golfing best for some fun on the fairways.

Among those determined to tee off was Manish Goenka, Director of the Emami Group. "This is a great

tournament," he said. "I've been playing for a few years and it is always well organised."

But Goenka was quick to point out the difficulty caused by this year's tournament being scheduled on a Friday, saying quite a few golf enthusiasts could not participate just because of that. "They don't allow shotgun starts in Tolly, and with different tee times, one had to take the entire day off for golf," said Goenka.

Among those seen in action were

Manish Goenka, Director, Emami Group

Aditya Khaitan, Managing Director of McLeod Russel India; Srikumar Menon, Managing Director of BOC India; and B.L. Raina, Chairman of Jamshedpur Utilities and Services Company, or Jusco.

As in each of the four legs of the BT-Honda Pro-Am tournament, there was intense competition, particularly in the team event.

Ultimately, the quartet of Umang Puri, Director of K.K. Puri News Distributors, Daljit Singh of Tollygunge Club, Prem Ratan Bagree, Chief Executive of Asbesco India, and Peter Remedios, Managing Director of J. Reynolds & Co. emerged winners by a solitary point.

For their efforts, each took home a trophy, a duffel bag from Honda, a souvenir and a putter set from Religare, and a bottle of Scotch.

The runners-up team of Abhay Pasari, Director of Supertech Engineering & Trade; Nikhil Poddar, Director, Poddar Udyog; Rajiv Himatsingka, Director, Pioneer Auto & Credit; and Rajeev Gupta, CEO of Kanchan Vanijya, at least had the consolation of bagging a few goodies — each received a trophy, an overnight bag from Honda, a Religare souvenir, and a bottle of Scotch.

In the individual category, Pradeep Bajoria, Director and Chief Executive of IFGL Refractories, notched up an impressive 43 points to walk away with the honours in the handicap category of 0-10.

In the 11-18 handicap category, Poddar, who was also part of the runners-up side in the team event, took the honours with a total of 42 points, while Hirak Dasgupta, CEO of Senbo Industries, emerged winner in the 19-24 handicap category with 37 points.

Winners in the handicap category received a trophy, a travel bag by Honda, a souvenir and a putter set from Religare, a wedge from Cleveland, and a bottle of Scotch.

After Kolkata, the BT-Pro-Am's next stop was the balmy climes of Bangalore, at the Eagleton golf resort.

Nikhil Poddar, a winner in the individual category, with Sanjay Periwal, Regional Head of Religare Securities

Hirak Dasgupta receives the prize from Vipul Hoon, GM, Marketing, Business Group, Living Media

Pradeep Bajoria, a winner in the individual category, receiving the prize from Hoon and Periwal

Boisterous Bangalore

When the BT-Honda Pro-Am travelled to Bangalore for its week-end date in early December, the weatherman predicted it would be a wet one. But the rain gods decided otherwise for the second leg of the BT-Honda Pro-Am, which got off to a boisterous start at the Eagleton Golf Resort located off the Bangalore-Mysore highway. Given that it was a Saturday, 88 golfers showed up, reinforcing the popularity of this annual event.

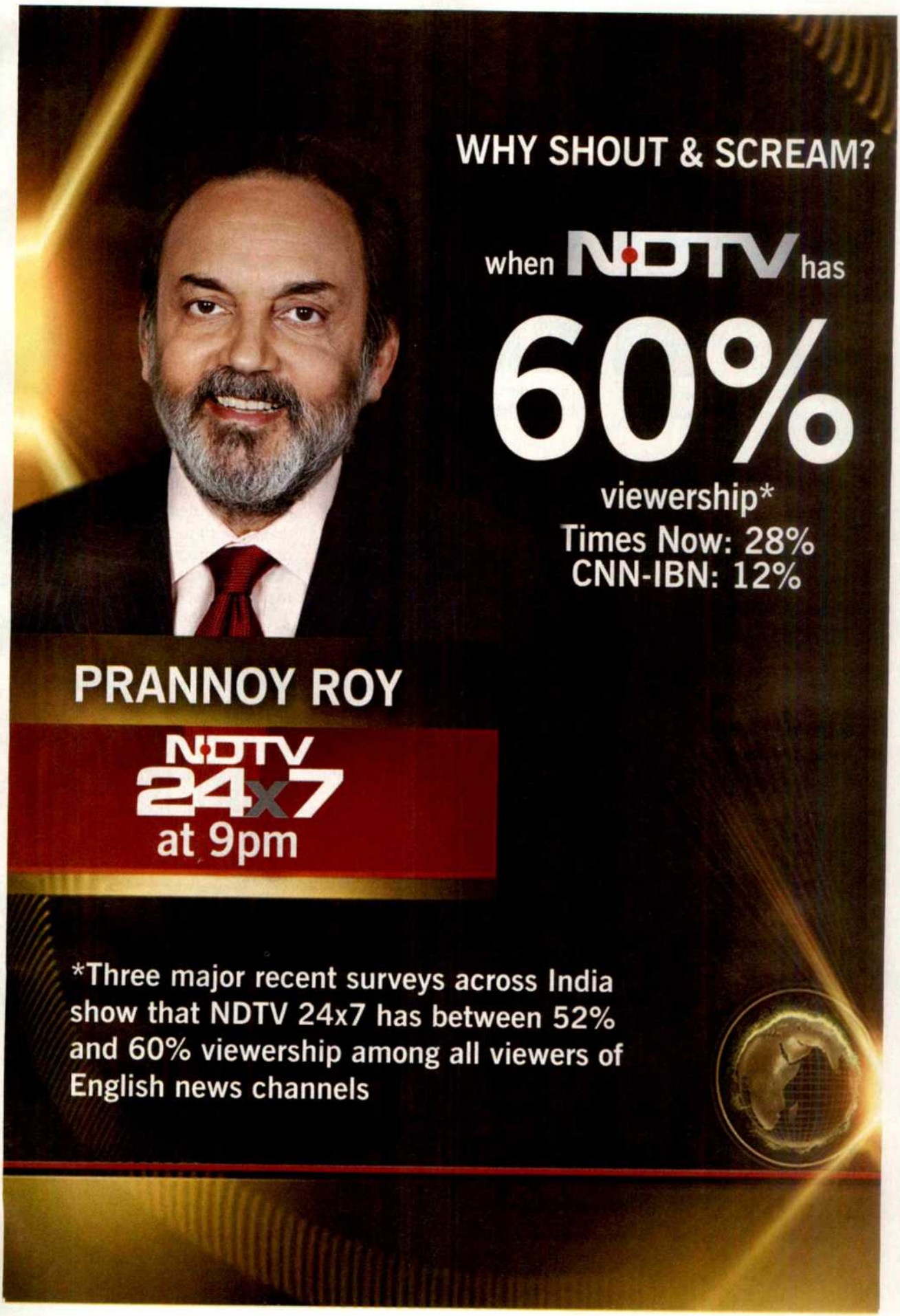
The participants, mostly from the Garden City's corporate world (and a few senior civil servants), enjoyed every moment of the five hours on this beautiful golf course.

"This is not like the other sports we play. While you strike a moving ball in most other games, in golf you hit a stationary ball. It needs meticulous hand-eye coordination," said T. Srinivasan, Managing Director, VMware, who ignored pain in his left hand to take part in the event. V. Madhu, Principal Secretary in the Infrastructure Development Department of the Karnataka government, missed by a whisker being the runner-up in the 19-24 handicap category, but was still satisfied with his performance. He ended the day with 35 Stableford points (six pars).

When the results were finally announced over lunch, Raj Krishna, MD, Sai Lakshmi Constructions, had booked a berth in the national finals — he logged 37 points to pip David D'Souza (36 points) to the top in the 0-10 handicap category. Arjun Ramaraju, General Manager, Energy and

Dr M.G. Bhat, Chief Surgeon, Wockhardt (member, winning team)

In the 11-18 handicap category, **Arjun Ramaraju** (left), GM, Energy and Utilities, Wipro Technologies emerged the individual winner. **Vikram Limsay**, CEO, Helicon Consulting, and Ramaraju were also members of the runners-up team


WHY SHOUT & SCREAM?
when NDTV has
60%
viewership*
Times Now: 28%
CNN-IBN: 12%
PRANNOY ROY
NDTV 24x7
at 9pm
*Three major recent surveys across India show that NDTV 24x7 has between 52% and 60% viewership among all viewers of English news channels

V.P. Mahendra, MD, VST Tillers Tractors (member, runners-up team) receives the prize from Vipul Hoon

(Left to right) Honda Siel's Natsume with the winning team of **D. Chandrashekhar, K.S. Suresh** (proprietor, Trinity Enterprises) and **Mohan Shekhar** (VP, Collabera)

Raj Krishna, MD, Sai Lakshmi Constructions (individual winner, 19-24 handicap category) receives the prize from Tatsuya Natsume, Director-Marketing, Honda Siel Cars India

D. Chandrashekhar, MD, Shore Birds (individual winner, 19-24 handicap category) receives his prize from Natsume

Utilities, Wipro Technologies, and D. Chandrashekhar, MD, Shore Birds, joined Krishna by coming up trumps in the 11-18 and 19-24 handicap categories, respectively. Ramaraju (39 points) prevailed over B.K. Satish by a solitary point, while Chandrashekhar (37 points) finished two points ahead of Sudheer K. Swamy and Madhu.

"I have enjoyed every moment of this tournament which I've played for the last 15 years. I play twice a week, during weekends, and have won many corporate tournaments," said Chandrashekhar.

N. Nanda Kishore, General Manager at Wipro Technologies, was pleased to tee off this time after missing out on the last two occasions. "It was a nice experience. It gave me an opportunity to meet up with friends," said Nanda Kishore, who had won the Bangalore leg of this championship three years ago.

The quartet of K.S. Suresh, Mohan Shekhar, D. Chandrashekhar and M.G. Bhat aggregated 108 points to bag the team honours. Finishing five points behind in second place was the team of Nanda Kishore, Vikram Limsay, Arjun Ramaraju and V.P. Mahendra. Tatsuya Natsume, Director–Marketing, Honda Siel Cars India, and Vipul Hoon of Living Media gave away the prizes.

The *BT*-Honda Pro-Am of Champions, which was first played in 1996, has established itself as the premier Pro-Am championship in the country. Corporate India considers it a privilege to be invited to play in this tournament.

Among those who made it to Eagleton were Kishore Rao, MD, 3M Electro & Communication India; Jayashankar Jayaraman, Director, Global Accounts, Microsoft; Carl Dujardin, CEO, Xsysys Technologies;

Religare sponsored the 'Closest to the Pin' competition at one of the holes.

T.V. Mohan, President, TVS Tyres; and B. Ashwin, COO, ING Vysya Insurance.

Honda Siel Cars India was the title sponsor of the tournament, with Religare as the associate sponsor. United Spirits was the beverage partner, Cleveland Golf the equipment partner, and *Golf Digest India* the media partner of the *BT* Pro-Am. ◆

Subscribe to Business Today. Clinch the smartest deal in seconds!

THE INDIA TODAY GROUP

FREE with 3 years Subscription: A stylish Benetton watch worth ₹ 2599/- !

Two think-smart Collector's titles Worth ₹ 350/- FREE with a 1-year Subscription!

business today

FOR MANAGING TOMORROW

Term	No. of Issues	You Pay (₹)	Free Gifts
3 Years	78	1950	Stylish Benetton watch ₹ 2599/- Best Buy
1 Year	26	650	2 Think-Smart Collector's Titles - How to make winning presentations + 250 IQ Mind Bending Puzzles worth ₹ 350/-

Please fill in the form and send it back to us in the address mentioned below

Subscription Savings Form

Send form with payment to LIVING MEDIA INDIA LTD., A-61, Sector 57, NOIDA-201301 (U.P.)

Yes! I would like to subscribe for:

☐ 3 Years (78 Issues) : Pay ₹ 1950/- + Get Stylish Benetton Watch Worth ₹ 2599/- Best Buy

☐ 1 Year (26 Issues) : Pay ₹ 650/- + 2 Think-Smart Collector's Titles - How to make winning presentations + 250 More Mind-bending IQ Puzzles worth ₹ 350/- FREE

BT 23 JAN 11

Name..... Address.....

.....City.....

Postal Code.....Tel./Mobile.....E-mail.....

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ ☐

Card No.....

Expiry.....Signature.....

Payment Enclosed: ☐ Cheque ☐ DD No.....(in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 10/-)

Subscription Terms & Conditions: Cover Price of BT is ₹ 25. Special Rates and offer valid in India only for a limited period. Saving are off the cover price Allow 2-3 weeks for processing of subscription Your free gifts will reach you in about 6 weeks of commencement of your subscription. Add Rs. 10/- for non-Delhi cheques. Superscribe your name and address on the reverse of the cheque/DD It will not be possible to entertain any request for cancellation once the free gift has been dispatched All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Subscribers of all terms will get the chance to win the luck prize of holiday vouchers. This holiday voucher will include only a 3 day and 2 night stay facility for 1 couple and 2 children subject to the availability of rooms in the hotels that will be mentioned in the voucher BT can revise this offer any time at its discretion without any prior intimation. Subscription can not be cancelled once the free gifts are despatched. Terms & conditions apply.

LAST BUT NOT LEAST

PERSONAL TECH 111 EXECUTIVE HEALTH 116 PEOPLEBUSINESS 122

The Real Story

A tour of the sets of a reality TV show proves to be more fascinating than the eventual telecast. BY ANUSHA SUBRAMANIAN

On a nippy December morning, this writer along with photojournalist colleague Umesh Goswami visited the sets of reality show *Bigg Boss 4* in the hill station of Lonavala, 100-odd kilometres off Mumbai. The objective: Tour the sets — which include the *Bigg Boss 4* "house", a live studio and the backstage areas — and come back with a story on what goes into the making of a grandiose television show that thrives on unscripted drama.

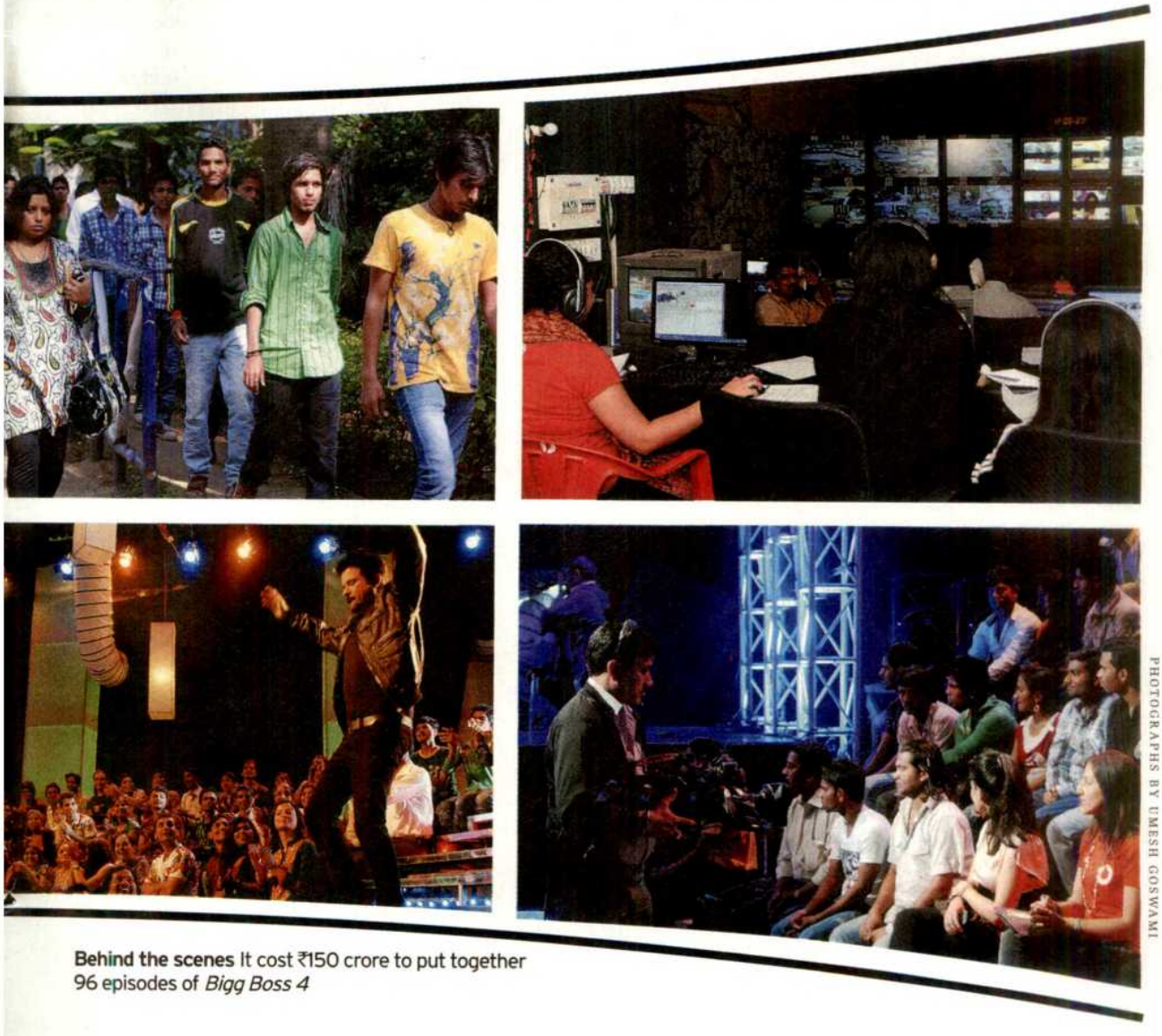
The house is an imposing 12,000 sq. ft. structure, in which 14 "housemates" compete to avoid being evicted. It took Shyam Bhatia, a Mumbai-based architect, close to eight months to build this temporary residence at a cost of ₹2 crore. The house, in which the housemates have to spend 85 days together with 40 cameras tracking them round the clock, has no TV connection, no phones, no Internet connection — not even a clock, or a pen or paper.

Adjacent to the house is a 1,400 sq. ft. chalet that is home to Bollywood star Salman Khan, host of the show; Khan stays there every weekend when he visits to shoot. The entire set, which also includes the area where a live audience sits, and technical control rooms, is situated in an industrial shed spread over an area of two acres.

For close to three months, some 200 crew members have been working on three shifts of eight hours daily. Of the 200, 50 are staffers from Endemol, the Netherlands-headquartered TV production company that created the original format; the rest have been hired for three months on a project basis for *Bigg Boss 4*.

The nerve centre of the set is the Master Control Room, which has a panel of over 20 monitors that displays what every camera in the house captures. Two story editors alternate on four-hour shifts round the clock with their eyes glued to the monitors; their job is to weave stories around daily happenings inside the house. At any given point in time, a story editor follows two stories. There could be more than two conversations happening but it is the decision of the story editors to follow what he or she thinks viewers will find captivating.

There are two daily producers on the show who work in shifts. The



PHOTOGRAPHS BY UMESH GOSWAMI

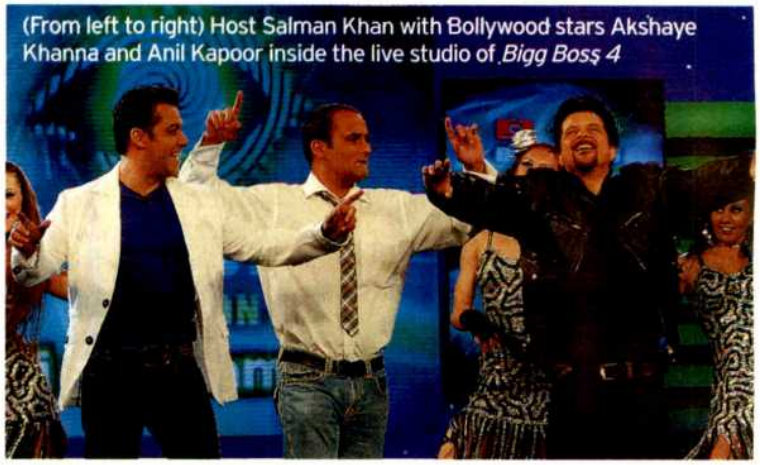
Behind the scenes It cost ₹150 crore to put together 96 episodes of *Bigg Boss 4*

daily producer, who has the overall vision for the day's episode, works from eight a.m. in the morning and is on duty till the next day when the show is up-linked and telecast. The daily producer is updated by each story editor on their respective stories and then it is his job to assimilate these stories and create a daily episode.

From eight a.m. till midnight, the daily producer has the task of going through 50 different stories, selecting the best ones, and crunching them into a 50-minute episode. The edited episode is sent to Deepak Dhar, Country Head of Endemol India, and Ashvini Yardi, Head of Programming for Colors. Only after their approval does an episode go on air. "It is the channel's call to edit or mute the video of housemates using abusive language," says Aritra Mukherjee, Creative Director of the show. A team of six has the job of researching various tasks that can be given to the housemates. Tasks are generally thrown in when the story editor finds that not much is happening amongst the housemates.

Other than the 40 cameras that track housemates within the house there is a "camera gully," a dark hallway that encircles the house and all its rooms. The hallway has one-way mirrors, which serve as windows for a dozen cameras operated by cameramen who work round the clock (on shifts) to capture the happenings inside the house.

Outside the house, on the premises, is the set where host Khan addresses the audience and housemates. The set is fully air-conditioned and the housemates appear on a huge plasma screen to interact with Khan. And if you are wondering where the audience comes from, well, they are not quite residents of Lonavala. The contract for bringing in an audience is outsourced to a Mumbai-based audience agency. Some 100 persons are bussed from Mumbai for an entire day; they are offered breakfast, lunch, evening tea and snacks and dinner in case the shoots get delayed. Besides, they are paid ₹200 each for their day's efforts.



(From left to right) Host Salman Khan with Bollywood stars Akshaye Khanna and Anil Kapoor inside the live studio of *Bigg Boss 4*

REALITY BYTES

12,000 sq. ft.
The house that is the set for *Bigg Boss 4*

2 acres
The land on which the sets of *Bigg Boss 4* have been built

₹2 crore
The cost of building the temporary house

64 cameras
To capture the happenings in the house

200 crew members
Working on an eight-hour shift for three months

₹200 daily allowance
Paid to audience members transported to the sets

₹150 crore
Cost of producing 96 episodes of *Bigg Boss 4*

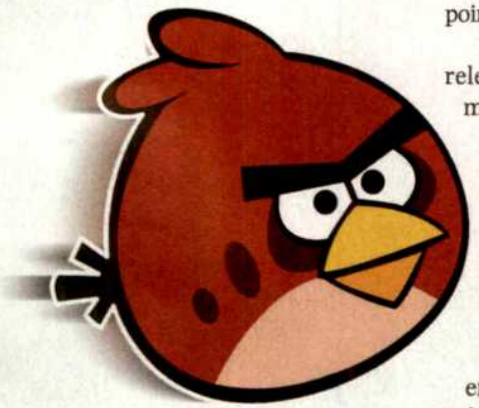
Seen in the context of the big picture, such payouts are indeed small change. After all, according to those familiar with the show's budget, the cost of producing *Bigg Boss 4* — inclusive of payments to Khan, who has been contracted for 28 of the 96 episodes — works out to roughly ₹150 crore. By the time you read this *Bigg Boss 4* would be just about winding down — the last episode will be telecast on January 8 — but folks at Colors and Endemol would have already begun planning their next reality sortie. Says Dhar: "With the demand for reality shows having increased in the last few years, each show is a unique profitable space."

But would Colors be able to recover the huge costs involved? Media planners point out that for Colors, leadership and viewership might be more important than profitability. Says Manas Mishra, Executive Vice President and Country Head, Mudra Connext, the media agency of Mudra Group. "For a show of this scale, the (immediate) return on investment does not really matter. It's the brand value of the show that matters, as that paves the way for advertisers to come on board for the other shows on the channel." Over to *Bigg Boss 5*.◆

Piggy Killer!

Someone should set up Angry Birds' Addicts Anonymous soon

It has been barely a month since I took my vows of marriage. But my wife already wants to leave me because she claims I am a very asocial person. The allegation is not true even though over the past few weeks whenever I have had even a minute to spare I have whipped out my mobile handset and started playing *Angry Birds*.

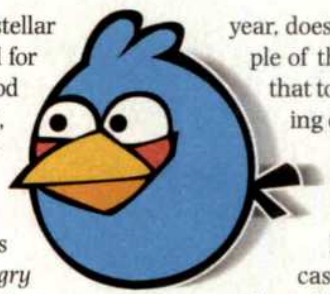


I can't seem to help it. I am rather addicted to this simple but hugely popular game where you have to slingshot birds at pigs positioned on or within obstacles made of wood, glass and stone. The birds are angry that the "evil" pigs have stolen their eggs. So, your objective is to destroy the pigs and get the eggs back.

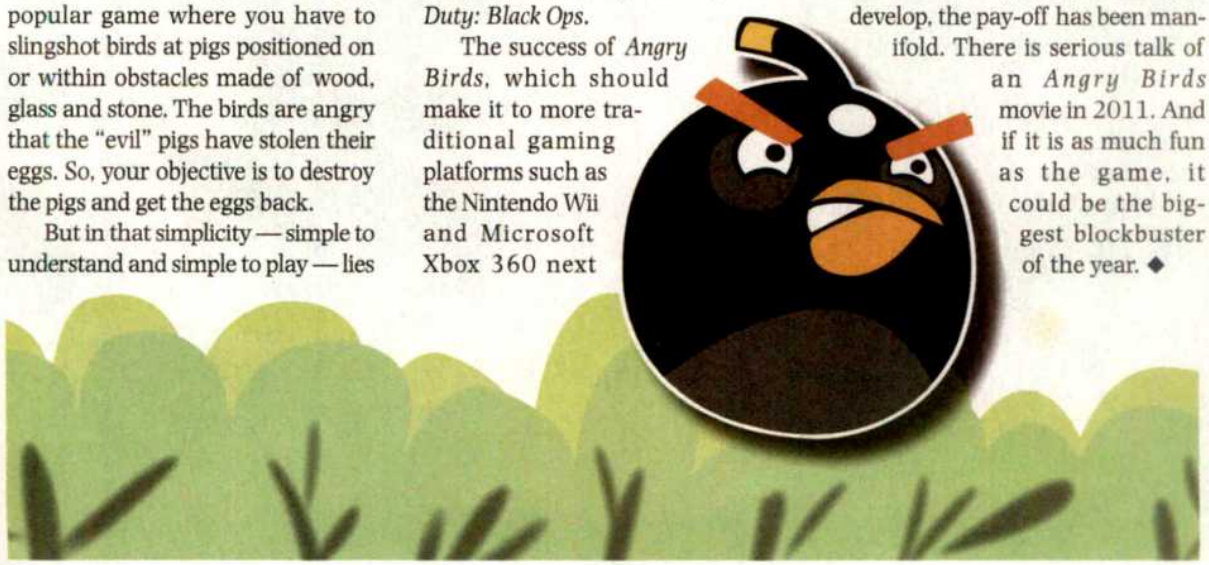
But in that simplicity — simple to understand and simple to play — lies the secret of this game's stellar success. Initially developed for the iOS platform for the iPod Touch, iPhone and iPad, *Angry Birds* has sold over 12 million copies from the iTunes App Store. And when Nokia launched its new flagship, the N8, *Angry Birds* on the Symbian^3 platform was the company's main pitching point to journalists.

However, it was the Android release — free from the Android marketplace—that saw cumulative downloads exceed 50 million copies, and spin-offs such as *Angry Birds Seasons* for Halloween and Christmas — snow is added as an obstacle — have been made. This game, by Finland-based Rovio Mobile, can be considered the biggest of 2010 — an achievement without a penny having been spent on publicity. And as far as plots go, *Angry Birds* is a lot simpler than, say, *Call of Duty: Black Ops*.

The success of *Angry Birds*, which should make it to more traditional gaming platforms such as the Nintendo Wii and Microsoft Xbox 360 next year, does highlight a couple of things. The first is that touch-screen gaming on mobile devices can work very well. The second is that there is a lot of money in casual gaming. The best thing about *Angry Birds* is that it can be played by just about anyone. I downloaded the game onto an Android device to keep my five-year- old niece occupied. Then, I was hooked. The learning curve is smooth and it is great fun to play.

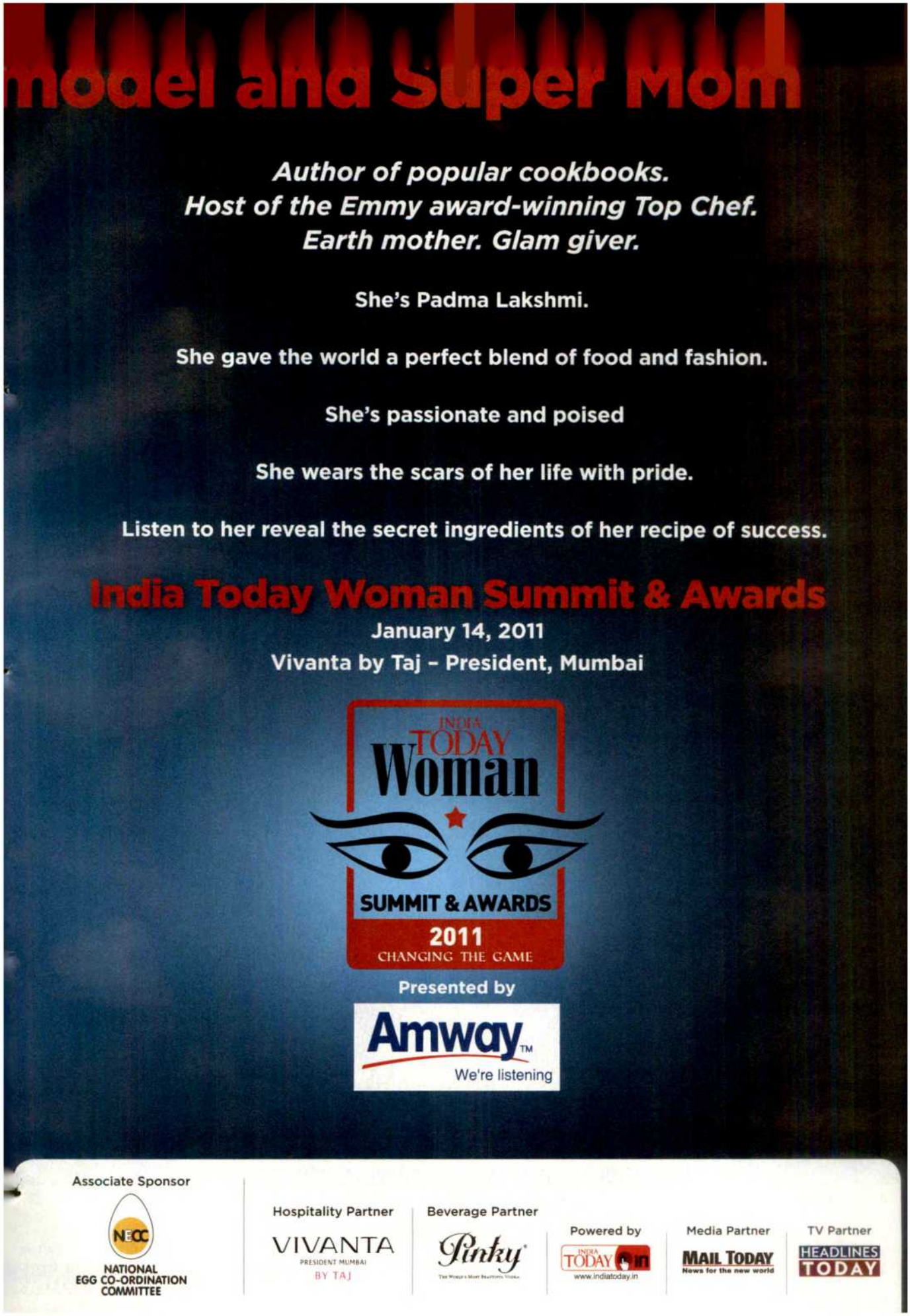


At many start-up conferences in India, companies talk about setting up the next Facebook, not realising that Facebook does the job it is supposed to do quite well already. I believe the big money lies in making a good, enjoyable game. Constant Internet access and touch screens have transformed mobile devices, and although *Angry Birds* cost an estimated €100,000 (₹60 lakh) to develop, the pay-off has been manifold. There is serious talk of an *Angry Birds* movie in 2011. And if it is as much fun as the game, it could be the biggest blockbuster of the year. ◆



Beauty and Brains, Supe

Padma Lakshmi
Celebrity Host of Top Chef,
Author


model and Super Mom
Author of popular cookbooks.
Host of the Emmy award-winning Top Chef.
Earth mother. Glam giver.
She's Padma Lakshmi.
She gave the world a perfect blend of food and fashion.
She's passionate and poised
She wears the scars of her life with pride.
Listen to her reveal the secret ingredients of her recipe of success.
India Today Woman Summit & Awards
January 14, 2011
Vivanta by Taj – President, Mumbai
INDIA TODAY Woman
SUMMIT & AWARDS
2011
CHANGING THE GAME
Presented by
Amway
We're listening
Associate Sponsor
NECC
NATIONAL EGG CO-ORDINATION COMMITTEE
Hospitality Partner
VIVANTA
PRESIDENT MUMBAI
BY TAJ
Beverage Partner
Pinky
Powered by
INDIA TODAY .in
www.indiatoday.in
Media Partner
MAIL TODAY
News for the new world
TV Partner
HEADLINES TODAY

OTHER SPEAKERS

Mariane Pearl
Author and Activist

Khushbu Sundar
Actor and Politician

Smriti Z. Irani
Actor, Producer and President, Women's Wing, BJP

Jitish Kallat
Artist

Meera H. Sanyal
Chairperson and Country Executive, Royal Bank of Scotland, India

Vandana Shiva
Scientist, Environmentalist and Organic Food Entrepreneur

Devita Saraf
CEO, Vu Technologies and Executive Director, Zenith Computers

Deepika Kumari
Double Gold medalist at the Commonwealth Games 2010

Sunhil Sippy
Partner, Highlight films

Rahat Taslim
Homemaker turned millionaire

Anuja Chauhan
Author and Former Vice President and Executive Creative Director, JWT

MODERATORS

Aroon Purie
Chairman & Editor-in-Chief, The India Today Group

Koel Purie Rinchet
Actor and TV Host

Prasoon Joshi
Lyricist & Executive chairman, McCann Worldgroup India

Tishani Doshi
Author and Dancer

Devika Bhagat
Screenwriter

India Today Woman
SUMMIT & AWARDS
2011
CHANGING THE GAME

Presented by
Amway
We're listening

To register, call Summit Desk at *Delhi:* Saurav Parmar (011) 23357087, (011) 23325235; *Mumbai:* Vandana Umrotkar (022) 2498350
Fax: (011) 23316180 or *E-mail:* womansummit@intoday.com, *Website:* www.indiatoday.in/womansummit

REGISTRATION FEE	
For Single Delegate	₹ 10,000

Associate Sponsor
NECC
NATIONAL EGG CO-ORDINATION COMMITTEE

Hospitality Partner
VIVANTA
PRESIDENT MUMBAI
BY TAJ

Beverage Partner
Pinky

Powered by
India Today .in
www.indiatoday.in

Media Partner
MAIL TODAY
News for the new world

TV Partner
HEADLINES TODAY

Decisions! Decisions!

Decide and Deliver
Authors: Marcia W. Blenko, Michael C. Mankins & Paul Rogers
Publishers: Harvard Business Review Press
Pages: 172 | Price: ₹995

There are five steps to breakthrough performance in an organisation, according to the authors of Decide & Deliver. **Paul Rogers,** *co-author and Managing Partner for the UK office of Bain & Co, the consultants, talks about the secret sauce of business decisions in an email interview with* **Saumya Bhattacharya**. *Edited excerpts:*

What is the secret sauce of taking the right decisions?
First, it is important to make decisions a priority. This may sound obvious, but our experience is that not enough companies put decisions at the centre of the debate when it comes to the organisation. The second thing is to identify which decisions really make the difference — this is typically a mix of big one-off "strategic" decisions, and some of the more operational, everyday, decisions. These operational decisions individually have small impact but cumulate to have a big impact. Then, success requires building what we call an integrated organisational system — clear roles, structures, and measures, as well as the vital "people" element. So, the "secret sauce" consists of several steps or "ingredients".

What are the biggest challenges to taking the five steps you mention?
The first challenge may sound obvious but it is critical: making decision effectiveness a priority. Not enough organisations spend enough time focusing on how to improve decision effectiveness. Also, even as the process gets under way, there sometimes can be challenges. The third is that sometimes, companies see this as "just another initiative" which lasts for a while and then peters out. Beyond these hurdles, the main challenges relate to processes and people.

You write that few companies look systematically at what gets in the way of good decision-making and execution. Why is this so?
This is a great question. Too many companies still regard the organisation chart as the primary descriptor of how an organisation is supposed to work. The organisation chart was great for doing this in its heyday during the industrial age. But the world has moved on and, in particular, the complexity of what is needed to suceed in today's business world has increased exponentially. The organisation chart simply cannot cope with all this complexity and the problem is that until now, there has not been an adequate alternative approach. Our hope is that a focus on decisions provides this alternative.

> "Too many companies still regard the organisation chart as the primary descriptor of how an organisation is supposed to work"

SHEKHAR GHOSH

How does one prioritise?
The key is to identify the decisions that really matter. We use a tool we call "decision architecture" to help identify the decisions that are most critical.

How crucial is the RAPID method to effective decision-making?
Recommend, agree, perform, input and decide or RAPID is a remarkably powerful tool — intellectually simple but extremely practical. RAPID was designed for decisions and is very intuitive. It helps achieve the real objective of behaviour change and is not just about mapping a bunch of decisions. RAPID helps provide clarity about who is accountable and for what role in a particular decision. It has been in active use at Bain since at least the mid-1980s. ◆

Posture for a Healthy Back

That slouch is not just painful. You could be inviting early spinal degeneration.

Last fortnight, 28-year-old Mansi, who works with a business process outsourcing firm, called on Dr Rajesh Verma, a Senior Consultant in Orthopaedics at the Artemis Health Institute in Gurgaon. She was suffering from acute pain in the lower back. When Verma examined her, he was hardly surprised at Mansi's condition.

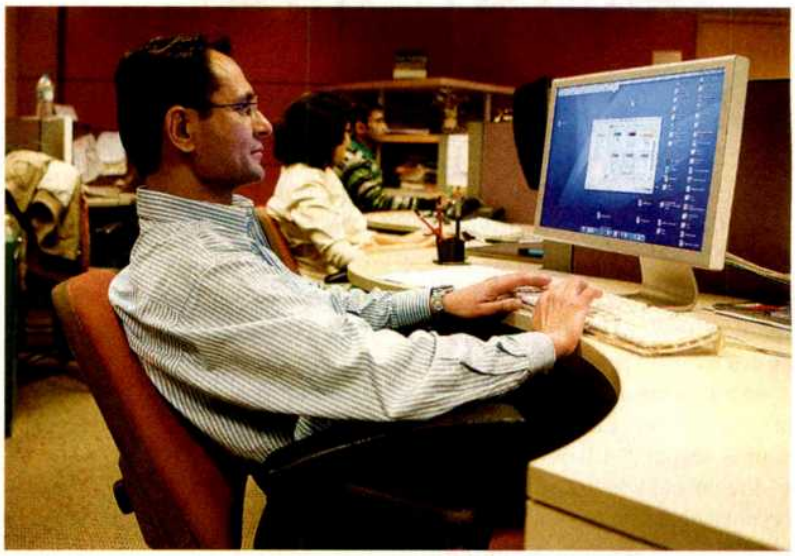
Mansi, who has been working for five years now, had never given a thought to health, fitness and exercise. She worked long hours sitting in front of a computer. Also, she lived alone and was not too particular about her diet and when she ate. "Primarily, her problem had cropped up due to not sitting in the right position. She had a bad posture. Lack of nutrition only added to her problems," says Verma.

Bad posture may not seem a serious problem at first glance, but it can have severe and, of course, painful implications. Bad posture, while sitting or standing, puts abnormal stress on joints and ligaments and causes back pain, increased joint strain, slipped discs, and even early spinal degeneration, say doctors.

Dr Bipin Walia, Senior Consultant in Neurological Surgery and Head & Spinal Surgery at Max Super Speciality Hospital in Delhi, says that the problem is certainly on the rise. Children are less into physical activity and sports, and this habit continues into adulthood. Long hours sitting hunched over books and then at work aggravate this problem.

"The people most affected are middle-aged. But increasing numbers of young people are now suffering from back pain," says Walia.

The reason for the alarming increase in the number of such patients is bad ergonomics at the workplace, a sedentary lifestyle (doctors say 20-somethings are not particular about exercising) and lack of proper nutrition. This could be a shortage of Vitamins D or B12, an absence of protein and fibre along with lack of sunlight and prolonged exposure to low temperatures.



VIVAN MEHRA

Bad posture can put pressure on the lower back and shoulders

SIT RIGHT AT WORK

1. Bend your knees at a right angle. Do not sit with your knees crossed
2. Keep your feet flat on the floor. You could also use a footrest
3. Avoid sitting in the same position for more than 30 minutes
4. Get up from your chair every half hour. If that's not possible, take a deep breath
5. Rest your elbows and arms on your chair or desk. Keep your shoulders relaxed

Walia is at pains to explain the importance of good posture for a healthy back. He defines it as one that keeps the body alignment in as natural a position as possible. Good posture reduces the load and stress on joints, ligaments and muscles.

If you want to sit correctly, your back should be straight. The thighs should be parallel to the ground, and the feet should be flat on the ground without stretching. An inclined footstool is always beneficial. And if you are working at a computer, the screen should be at eye level, with the shoulders squared and head held straight. It should be in line with the axis of the body so that you do not have to twist your back to see it.

SAUMYA BHATTACHARYA

Salary Hikes to Get Better

Jobs are back and so are hefty increments

If last year's salary increases were an indication of a recovery from the slowdown, this year companies are expected to give bigger hikes to employees across almost all sectors, if compensation and human resource experts are to be believed. What makes this year's increments interesting is that certain sectors that are not doing well have also designed ways to reward key talent. The underlying story of increments in 2011 is: jobs are back, so are robust pay raises, especially for key talent.

TeamLease Services, a leading staffing firm, says hiring and business sentiment will remain positive in 2011. Sector-wise, telecom, infrastructure, fast-moving consumer goods, or FMCG, and manufacturing are likely to hire more than last year. Banking, Financial Services and Insurance, clubbed as BFSI, will remain stable. The average increase in hiring will be 10-18 per cent across sectors. Information technology (IT) and IT-enabled services, which have a higher hiring base, will continue to hire the most.

Given this positive sentiment, increments will be in the range of 10-20 per cent compared with 7-10 per cent last year, depending on the sector, says Ashok Reddy, Managing Director, TeamLease.

The sectors that will do better in terms of increments are likely to be IT and ITES, infrastructure, FMCG and telecom, he says. Project managers in infrastructure can expect a hefty hike. Reddy sees manufacturing and retail forking out increments of around 15 per cent. BFSI hikes could be lower.

Y.V. Verma, Chief Operating Officer of LG India, a consumer durables company, has not yet finalised increments for his staff, but indicates that these will be slightly better than last year's. "On average, increments will be upwards of 15 per cent. Last year, they were around 12 per cent." Companies in the sector are hiring aggressively and will be aggressive about retaining manpower, he says.

Compensation experts such as Sunil Goel, Director of GlobalHunt, an executive search firm, are particularly upbeat about the energy sector and predict an average salary hike of close to 30 per cent for it. Reasons Goel, "There is a special focus on thermal and hydro projects for which several policies have been framed by the government. More and more private players are expected to enter this sector... the nuclear energy sector is also expected to create many jobs."

The New Year could be a mixed bag for the manufacturing sector, though. Tapan Mitra, Chief of HR at Apollo Tyres, points out that tyre industry sales are sluggish and that might get reflected in the increments. "The tyre market is not good and stocks have built up. Unless that improves soon, we will be conservative in the matter of increments," says Mitra. Last year, the company had handed out average increments of 15 per cent, which, Mitra says, may come down to 10-12 per cent. The tyremaker, however, is restructuring its bonuses. "We are readying a long-term bonus plan for our key talent," says Mitra. That is hardly surprising given that the company has 20 per cent attrition in the field and 22 per cent among entry-level engineers. ◆

SAUMYA BHATTACHARYA

RAJAT BARAN

High Expectations From:
IT, ITES, Infrastructure, Power and Energy, and FMCG

Low Expectations From:
Manufacturing, BFSI, Retail, Real Estate, and Health Care

Senior Management Jobs brought to you by monster.com

Unity Infraprojects Limited
Technical Assistant to MD (Real Estate)
Location: Mumbai
Job ID: 8669013
Description: The candidate should be well verse with handling technical issues of Real Estate Projects. He should be BE (Civil) from reputed university with atealst 5 years of experience and computer savvy.

Gebbs Healthcare Solutions Pvt Ltd
Senior Medical Coder - E&M / ED / E
coding,
Location: Mumbai
Job ID: 8188510
Description: Medical Coding in Evaluation Management/ ED / ER

CedarCrestone Software India Pvt Ltd
Practice Lead- PeopleSoft
Location: Hyderabad
Job ID: 8823781
Description: Aspirant must have solid understanding and work exp. as a manager in a global PeopleSoft Practice; Ability to communicate effectively and maintain effective relationship with other teams.

Cognizant Technology Solutions Ind Private Limited
Manager / Senior Manager - Healthca Consulting
Location: Chennai
Job ID: 9106349
Description: Responsible for supporti consulting projects in the healthcare doma from offshore working with the project teams

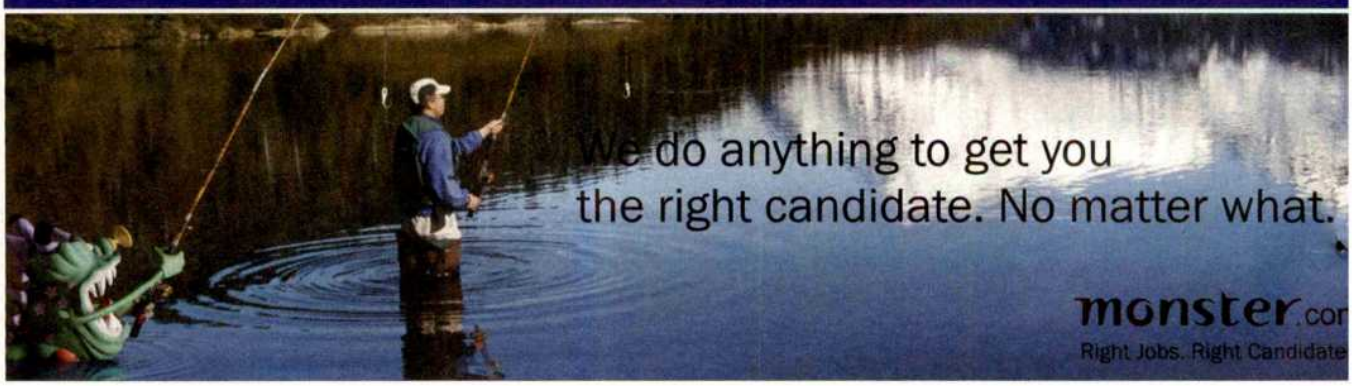
Emptoris
Customer Advocate/ Engagement Manager
Location: Pune
Job ID: 8942928
Description: The Customer Advocate/ Engagement Manager Will be managing multiple projects and consult with Emptoris customers to successfully execute Spend Analysis projects.

WNS Global Services
Manager - Empolyee Relations
Location: Mumbai
Job ID: 9082100
Description: Role: Drive employ engagement and touch points; Drive retenti initiatives; Driving Key HR processes; Dri policy awareness and adherence.

NVIDIA Corporation
Senior Hardware Engineer
Location: Bangalore
Job ID: 8990671
Description: Responsibilities: - Bring up and troubleshooting of next generation GPU ASICs. - Engineering product definition of next generation GPU ASICs.

PwC Service Delivery Center
Head of Technology
Location: Kolkata
Job ID: 9105348
Description: Function: Leads the areas of I Infrastructure requirements and solutior (business application technology), system networks and IT policies at the SDC.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" buttor



IT Jobs brought to you by monster.com

IP Soft India Pvt Ltd
Head -R&D (Next Generation Technologies)
Location: Bangalore
Job ID: 5499235
Description: IP Soft,one of the fastest growing MSPs is the World is looking Head-R&D(NextGenerationTechnologies) to help shape the future of infrastructure mgmt. Profound knowledge in core Java (server side),SQL/Mysql/Perl, etc.

ABB Limited
Senior Software Engineer
Location: Bangalore
Job ID: 8420170
Description: Looking for candidates with income tax and service tax experience.

Photon Infotech Private Limited
QA Analyst
Location: Chennai
Job ID: 9094620
Description: Individual would be responsible for Financial Planning & Budgetary Control, Accounts & Auditing, Fund Sourcing & Application Management (Including Forex Management), Taxation etc.

Logica Private Limited
SAP ABAP Sr Consultant
Location: Chennai
Job ID: 9107108
Description: Role: Determining financial objectives, designing & implementing systems, policies & procedures in co-ordination with top management to facilitate best practice in financial management.

Patni Computer Systems Ltd
Clarify CRM Developers
Location: Pune
Job ID: 8558186
Description: Tasks: Reconciliation of books of accounts & related activities; Preparation of financial statements like independent costing of balance sheet, profit & loss A/C; Bill & Payment verifications.

Oracle
OBIEE developer
Location: Bangalore
Job ID: 9106530
Description: Duties: To help in Accounting entries and maintenance for different locations; To manage Accounts Payable and Receivable; Customer invoicing and revenue recognition etc.

Birlasoft Limited
Siebel Project Manager / Senior Project Manager
Location: Bangalore
Job ID: 9105732
Description: Total of 10-12 yrs of experience with atleast 6-8 yrs of experience in Siebel. Should have experience of minimum 3 implementations. Should have handled multiple projects. PMP Certified a big plus.

IMSI India Pvt Ltd
Sybase DBA
Location: Bangalore, Pune
Job ID: 8901666
Description: Functions: Supervision of entire activities involved in Central Excise, Service Tax, Sales Tax and Insurance. Co-ordination and interaction with the Central Excise Authorities.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button

FINDING THE RIGHT CANDIDATE STRESSING YOU OUT?
JUST CALL
1800 419 66666

For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com.
We'll get you the right candidate, no matter what.
monster.com
Right Jobs. Right Candidates.

business today

Jobs Today

monster.com

Sales and Marketing Jobs brought to you by monster.com

Tata Motors Limited
Business Development Manager
Location: Pune
Job ID: 9102022
Description: Looking for BE (Mechanical/ Production/ Metallurgy/ Industrial) having exp. in Business Excellence Vendor Support Centre.PG Certificated. Firm Knowledge of Business communication.

Infotech Enterprises Limited
Marketing Manager - Avionics
Location: Bangalore
Job ID: 9101725
Description: Person must have knowledge product development; relevant exp. in simil industry; excellent negotiation skills; pro-acti self-starter who can operate individually & part of team.

CIBER INC
Market Research Analyst
Location: Bangalore
Job ID: 9077089
Description: Deep experience in researching Industry, Business Issues, financial analysis and coming up with the insights, recommendations 2. Experience in international markets as also in Technology sector would be big advantage.

Tech Mahindra
Telecom Presales professionals
Location: Kolkata, Noida
Job ID: 9103166
Description: Aspirant must have knowled of Telecoms market, emerging technologi and business potential. Understanding common COTS products & Telecom Busine Processes.

Addonix Technologies Pvt Ltd
Business Development Executive
Location: Mumbai
Job ID: 8960205
Description: Responsible for getting new business, maintaining existing accounts; identifying the prospects through telephone calls and meet customers personally after taking appointments.

Religare Technova IT Services Ltd
Sales Co-ordinator
Location: Delhi
Job ID: 9048214
Description: Applicant should have goo knowledge of dialer; Ensuring timely delive of accurate reports to Sales operations & oth concerned parties; Sound knowledge of M Access, MS Excel.

Globexcel Systems
Sales Executive
Location: Bangalore
Job ID: 9094297
Description: Responsible for giving the demos & selling IPTV & Broad Band connections. IPTV customers Acquisition in assigned Projects; Customer satisfaction on our services etc.

Monster.com
Corporate Relationsip Manager
Location: Chandigarh
Job ID: 8989015
Description Tasks: Selling Monster enterprise solutions to leading companie identify & analyze the clients requiremen thoroughly mapping the accounts; Propose a solutions etc.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button

MagicSearch

Keywords | Location | Experience (years) - Min - | - Max - | Get Resume

World Class Technology
MagicSearch and 3 Layer filter find you the right candidate instantly.

monster.com
Right Jobs. Right Candidates

Finance Jobs brought to you by monster.com

Capgemini Business Services (India) Ltd
Accountant
Location: Bangalore
Job ID: 8992034
Description: Person must have experience in Month end closing, Costing, Variance Analysis, Reporting, and MIS.

Karvy Stock Broking Limited
Assistant Manager-Taxation
Location: Hyderabad
Job ID: 9108615
Description: Looking for candidates with income tax and service tax experience.

Assign Info Tech Pvt Ltd
Finance and Account Manager
Location: Noida
Job ID: 9090840
Description: Individual would be responsible for Financial Planning & Budgetary Control, Accounts & Auditing, Fund Sourcing & Application Management (Including Forex Management), Taxation etc.

Medi Assist India TPA Pvt Ltd
Finance Manager
Location: Bangalore
Job ID: 8860430
Description: Role: Determining financial objectives, designing & implementing systems, policies & procedures in co-ordination with top management to facilitate best practice in financial management.

Moolchand Medcity
Junior Assistant Manager - Accounts
Location: Delhi
Job ID: 8888258
Description: Tasks: Reconciliation of books of accounts & related activities; Preparation of financial statements like independent costing of balance sheet, profit & loss A/C; Bill & Payment verifications.

Integreon
Assistant Manager - Finance & Accounts
Location: Mumbai
Job ID: 9092062
Description: Duties: To help in Accounting entries and maintenance for different locations; To manage Accounts Payable and Receivable; Customer invoicing and revenue recognition etc.

Infocus Technologies Pvt Ltd
Chartered Accountant
Location: Delhi, Kolkata
Job ID: 8513905
Description: Chartered Accountants with experience in ERP tools like SAP would be preferred.

JSW Steel Ltd
Manager - Excise & Insurance
Location: Bellary
Job ID: 9086644
Description: Functions: Supervision of entire activities involved in Central Excise, Service Tax, Sales Tax and Insurance. Co-ordination and interaction with the Central Excise Authorities.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com.
We'll get you the right candidate, no matter what.

monster.com
Right Jobs. Right Candidates.

Angela Ahrendts
Global CEO, Burberry

Expanding the Tartan Cult?

At six feet three inches in her stilettos, ANGELA AHRENDTS towers over most people around her. She also towers over Burberry, the London fashion house renowned for its distinctive tartan patterns, having pulled the company out of the troughs of the 2008 downturn. In the year to March 2010, Burberry revenues grew by seven per cent to £1.28 billion (₹8,900 crore), with a profit of £82.2 million, against a loss a year earlier.

Recently in India to meet with her new JV partner Genesis Colours, it's been a long way from home for the girl from New Palestine, Indiana. She had a childhood dream of working for one of the big fashion houses in New York and the day after she graduated from college in 1981 she moved to New York City. She got her big break in 1989, when she joined designer Donna Karan's eponymous company, before making her way to the top at Burberry.

In India, she sees a large market for the British brand. "With our digital strategy we also want to target the younger luxury consumer who had a different perception of the Burberry brand. The digital strategy has been good for us." Along with Chief Creative Officer Chris Bailey, she piloted a move to live-stream Burberry's 2011 Spring-Summer collection online and followed that up with with an iPad application.

Burberry's Indian operations, which started after Ahrendts took over as CEO, have now expanded to five stores with three more to follow early this year. This might be the first of many visits for this fashion industry queen.

ANUSHA SUBRAMANIAN

Uday Sodhi
CEO, HeadHonchos.com

VIVAN MEHRA/www.indiatodayimages.com

A Search Ends

When ABC Consultants, a New Delhi-based recruitment services firm, decided to put in place a portal for middle- and senior-level job seekers, the management decided to rope in **UDAY SODHI** as Chief Executive. And with good reason, as Sodhi is an Internet veteran. Explaining his latest role, at HeadHonchos, Sodhi says: "Executive search is a vertical, but it is an Internet business for me." The idea behind the portal is a specialised product for middle- and senior-level job seekers with 10 to 15 years of experience. With the job market growing rapidly now, he can surely hope for a lot of action in the coming months.

SAUMYA BHATTACHARYA

It Ain't Over...

Opera might have been squeezed out of the battle for web browsers on desktop computers but the Norwegian company is making a strong comeback on the all-pervasive mobile phone. "In countries like India, the mobile phone is the primary access point to the online world and Opera offers an easy, cost-effective way for mobile users to surf the web," says **JON S. VON TETZCHNER,** in India for a summit on the future of the world wide web in this country. He does not believe the contention that native applications rather than the Internet will rule. "With so many platforms competing in the smartphone arena, developers cannot keep up. The Internet, on the other hand, is just one platform." Far from going extinct, von Tetzchner feels that Opera will rule the web.

KUSHAN MITRA

Jon S. von Tetzchner
Co-Founder, Opera Software

VIVAN MEHRA

Pavan Vaish
CEO, IBM Daksh

Blue-eyed CEO

International Business Machines, better known as IBM, which pulls in some $50 billion in software service revenues every year, owes **PAVAN VAISH** big time. He not just co-founded Daksh e-Services, IBM's entry vehicle for India-based business support services of scale, he also shepherded the unit as its CEO after Big Blue acquired it in 2004. Today, the unit has over 30,000 employees and an estimated $600 million in revenues.

Vaish stepped down in mid-December, making way for IBM veteran Pari Sadasivan, who will take over the reins at the unit, rebranded IBM Global Process Services. Vaish, whose first job was as a physics teacher at The Doon School, his alma mater, will stay on until February, IBM said. His plans for the future are not public but be sure you will hear more about this alumnus of IIT Kharagpur and Stanford.

The 'Idea' Man

In a career spanning close to four decades, **SANJEEV AGA** has managed businesses in paints, suitcases and even toys. But, undoubtedly, the role that he will be remembered for is in the mobile telephony sector. That of taking the hodge-podge (Aditya) Birla-Tata-AT&T combine, which had the fond, if deprecating, moniker of 'Batata' (the Marathi term for potato), and folding it into the Aditya Birla group under the Idea brand as well as running a highly successful public offering. Recently, he has taken a lead in the spectrum battle with his erstwhile corporate partner, the Tatas, as chairperson of the Cellular Operators Association of India. His decision to hang up his boots at the end of the current financial year will leave the telecommunications world in India a lot poorer.

KUSHAN MITRA

Sanjeev Aga
MD, Idea Cellular

Akio Toyoda
President, Toyota Motor Corporation

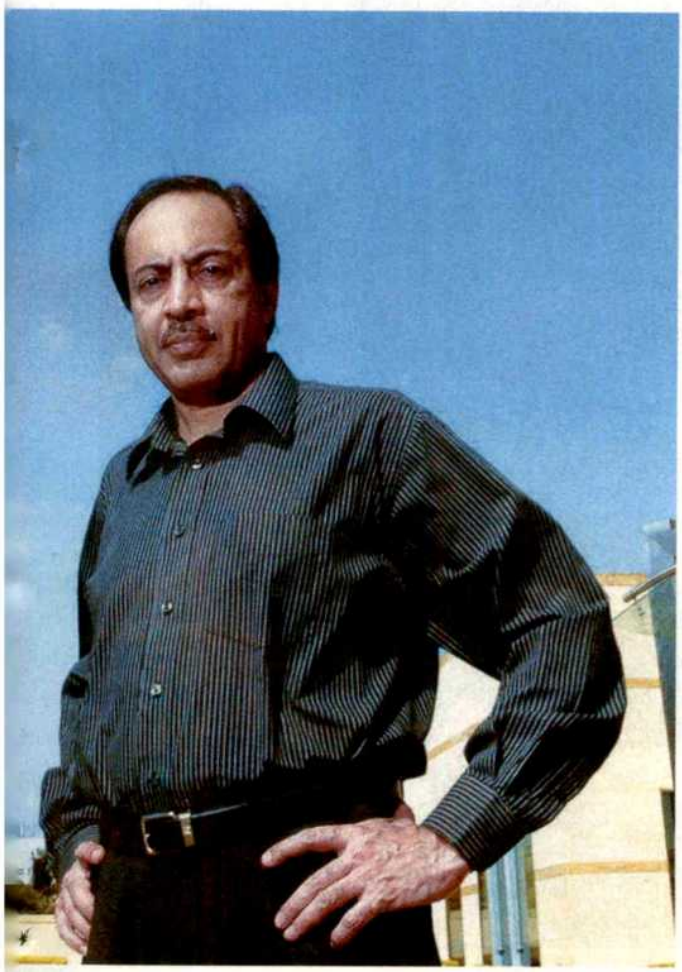
Still Apologising

AKIO TOYODA might have seen through the irony of his company's Indian operations selling its new Etios using "Q for Quality" as a byword. At the launch of the most important vehicle Toyota has brought to India, Toyoda, the grandson of company founder Kiichiro Toyoda, was profoundly apologetic when queried about the disastrous series of recalls the company had to endure in late 2009 and early 2010.

However, he believes that Indian consumers will get a Grade A product. "Our engineers have worked very hard on the new Etios and tested it thoroughly. I believe the car that we are going to sell will meet the standards demanded by Indian consumers." Whether that will happen is yet to be seen, but Toyota India has gone into overdrive to push the car, aided by aggressive pricing.

Will the Etios manage to firm up the company's reputation in India where its main competitor for the global top spot, Volkswagen, has already got off to a flying start? But Toyoda, who took charge of the company in 2009 after a series of missteps during the global financial meltdown, which indirectly led to the recall crisis, must he hoping that he can stop apologising soon. ◆

KUSHAN MITRA



UMESH GOSWAMI

airtel

In the new world of airtel, life is closer than ever before. Closer is meeting a friend sitting many continents away, face-to-face. Or listening to a new song whenever you want. Closer is watching your favourite show even when you are not home. And getting directions to the café that maybe no one else can find. Closer is airtel internet on 3G. airtel digital TV. airtel broadband. Endless ways we bring you ***closer to what you love.***

mobile
digital TV
broadband
enterprise services

JWT.8015.2010

ROHINTON 'RONNIE' SCREWVALA

Founding Chairman and CEO, UTV Group

My leadership style
- ☐ Delegative
- ☑ Participative
- ☐ Authoritative
- ☐ All of the above

The political leader I admire the most
Nelson Mandela

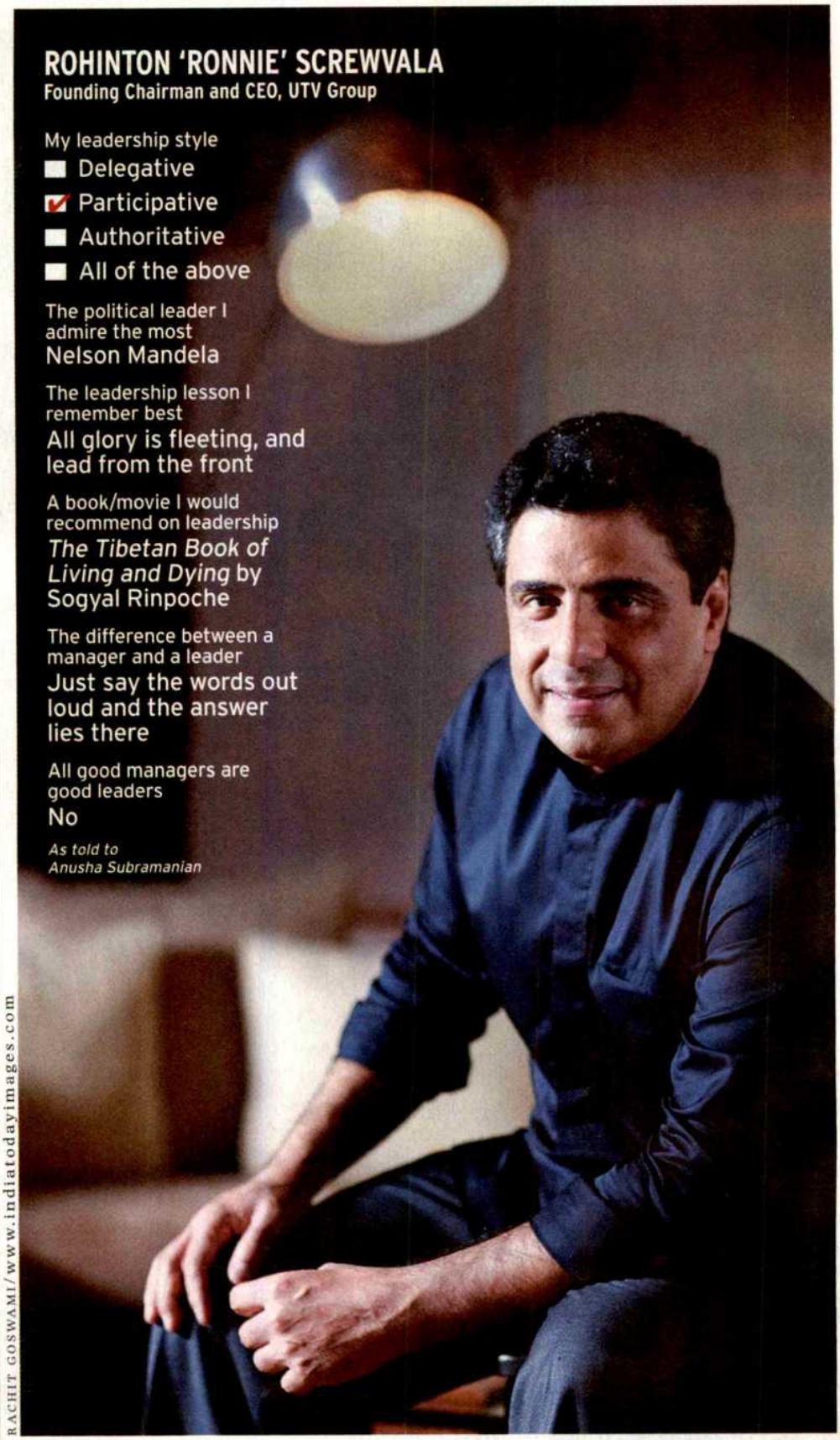
The leadership lesson I remember best
All glory is fleeting, and lead from the front

A book/movie I would recommend on leadership
The Tibetan Book of Living and Dying by Sogyal Rinpoche

The difference between a manager and a leader
Just say the words out loud and the answer lies there

All good managers are good leaders
No

As told to
Anusha Subramanian



RACHIT GOSWAMI/www.indiatodayimages.com

Vol. 20, No. 2, for the fortnight January 10-23, 2011. Released on January 10, 2011.

make the world a stylish place
SEAGRAM'S
BLENDERS PRIDE
MAGICAL NIGHTS
taste that speaks for itself

www.jmfina

INTELLIGENCE SAYS,

INVESTMENT IS A NON-CONTROVERSIAL WAY TO EARN MONEY.

TRUST INTELLIGENCE.

JM FINANCIAL

INVESTMENT BANKING | SECURITIES | RESEARCH | FINANCING AND DISTRIBUTION | WEALTH MANAGEMENT | ASSET MANAGEME

NFLATION: The Pain Grows 27 | CRICKET: Fever Pitch 94

SPECIAL ISSUE

business today

a n a g i n w

February 6, 2011 Rs 25

ckwise from top left:
hima Lamba, Genpact;
ith Prakash, IOC;
gelika Yadav, Bharti Airtel;
anish Singhal, L&T

THE BEST COMPANIES TO WORK FOR

A BT-Indicus-PeopleStrong Survey of India's Best Employers

JOY LEAVES THE COMPETITION BEHIND, ONCE AGAIN.

BMW once again reigns as India's number one luxury car brand for the second consecutive year. As the benchmark of power, sophistication and prestige, every BMW in India exudes the perfect balance of elegance, performance and distinction along with advanced BMW EfficientDynamics technologies that significantly reduce fuel consumption and emission levels while making your BMW even more thrilling to drive. Experience the ultimate statement of Sheer Driving Pleasure from India's leading luxury car brand that ensures when you are behind the wheel of a BMW you are exactly where you belong – ahead of the competition.

JOY IS BMW.
INDIA'S NUMBER ONE LUXURY CAR BRAND.

BMW EfficientDynamics
Less consumption. More driving pleasure.

For more information visit **www.bmw.in** or contact your Authorized BMW Dealer:

North: **Chandigarh:** Krishna Automobiles +91 172 504 1000
Delhi and NCR: Deutsche Motoren (South-East Delhi) +91 11 4309 0000, Deutsche Motoren (West Delhi) +91 11 4726 0000
Bird Automotive +91 11 3988 5577 **Jaipur:** Sanghi Classic +91 141 408 7070

South: **Bangalore:** Navnit Motors (South Bangalore) +91 80 2852 0060, Navnit Motors (North Bangalore) +91 80 2234 1661
Chennai: KUN Exclusive +91 44 4291 1111 **Coimbatore:** KUN Exclusive +91 42 2227 0900 **Hyderabad:** KUN Exclusive +91 40 4465 6565
Kochi: Platino Classic +91 484 400 9966

East: **Kolkata:** OSL Prestige +91 33 2251 7010

West: **Ahmedabad:** Parsoli Motors +91 79 2684 1231 **Indore:** Infinity Cars: +91 731 400 8989 **Mumbai:** Infinity Cars +91 22 6714 5100
Navnit Motors +91 22 6677 7777 **Pune:** Bavaria Motors +91 20 2614 1555

The model, equipment and possible vehicle configurations illustrated in this advertisement may differ from the vehicles supplied in the Indian market.

BMW
India
www.bmw.in
Sheer
Driving Pleasure
M DJ 1511

FLOWMORE

& POWER

Flowmore, over 60 years from its inception, now occupies a prominent position of pride and is recognized as a leader in large and special application pumps. Delivery, quality & customer service, are our greatest strengths. With proven technology, acquired from U.S., Flowmore has accumulated the most integrated capabilities in pump design and manufacturing facilities, & is currently building India's largest test bed with a capacity of 7,00,00,000 litres/hour.

Flowmore offers the power generation industry an extensive range of innovative products and services with a capability to manufacture pumps for 800 mw units. Some of the prominent customers are NTPC, BHEL, EIL, BGR, Punj Lloyd, Essar, Reliance Energy, RIL, Jindal Power, Hindalco, Tata Power, Thermax, IOCL, HPCL, all State/Central Electricity Boards, etc.

END SUCTION

FIRE FIGHTING

NON CLOG

HORIZONTAL SPLIT CASE

VERTICAL TURBINE

FLOWMORE PUMPS

Flow for life

OFFICES: GURGAON MUMBAI PUNE CHENNAI KOLKATA AHMEDABAD BANGALORE BHUBANESWAR SECUNDERABAD INDORE JAIPUR JAMSHEDPUR NAGPUR PATNA RAIPUR KANPUR

Website : www.flowmorepumps.com Phone : 91-124-3010883 to 92 Fax : 91-124-3010895, 3010896, E-mail: corporate@flowmoregroup.com

ISO 9001 / ISO 14001 / ISO 18001

ONE PARTNERSHIP.
ENDLESS POSSIBILITIES.
India is a country rich in talent. And Boeing's commitment as a partner promises to explore this potential. By joining forces with institutions to create and enhance existing aerospace programs through scholarships and hands-on experience. And scaling newer heights with design competitions and interactive forums. Partnering to nurture a vast undiscovered resource pool, the possibilities of what it will achieve are, indeed, endless.
oeing.co.in
BOEING

From the Editor

Know one's onions" means to know one's subject well. But do we really know why our economy fares as it does, how supply and demand and rain and drought affect commodity prices and push food inflation close to 18 per cent, or the price of onions up by 350 per cent? Why is the middle class feeling crushed? At *Business Today* we believe in peeling away the layers, even if it occasionally brings tears to our eyes. And so when Senior Editor N. Madhavan travelled to Asia's onion capital Lasalgaon to seek answers for angry consumers, he was greeted by the furious farmer who feels done in by the system (page 30). India's economy is clearly stuttering, and the bad news — sinking stocks, skyrocketing housing prices, moribund industrial output, unhappy businesses — beats down like winter hail. Read economist Ajit Ranade's clear-headed analysis on page 11 to understand better. Elsewhere, Associate Editor Puja Mehra fixes both the economy and the Planning Commission under her microscope in two separate reports, one on how UPA-II might fritter away its growth mandate, and the other on whether Montek Singh Ahluwalia might fritter away the cachet of the nation's longest-serving Planning chief.

Several years ago, my executive-management class at the Michigan Business School was asked: "Would you quit your job tomorrow?" The question made me think about my comfort zone; I liked my job. Why was I loyal to the company I worked for then? What makes companies good to work for? Is money important, or job satisfaction, or the company's reputation and brand image, or just the satisfaction of working hard in a congenial team for an inspiring boss? Today anybody with over five years in one company is considered a veteran. "People build careers and not institutions. That is today's reality," notes Associate Editor Saumya Bhattacharya, who led the team that took the findings of the annual *BT*-Indicus-PeopleStrong survey of India's best employers and wrote about the people who make them so. Based on employee perceptions, the trademark survey ranged across 3,700 companies in 350 cities and towns.

We did not content ourselves with just the survey. As always, when we veer off the beaten track we encounter fun and gems. Go to the photo-essay on unusual ways to make a living on page 90. And Assistant Editor E. Kumar Sharma and Special Correspondent Rajiv Bhuva uncover three most unusual companies, including the uplifting tale of Vindhya e-Infomedia, starting on page 78.

Even if the broader economy is slowing, companies are still surfing a big wave of demand, and hiring is picking up across corporate India, led by the IT sector. The *BT*-TeamLease Employment Outlook Survey, starting on page 127, is moderately optimistic — except in the manufacturing and engineering sector. That caution is of a piece with the shiver running up the economy's spine. *Aal izz not well*, as any idiot will tell you.

At *BT*, however, we refuse to be morose. At least 50 new car models are expected to hit India's roads this year, and auto sales are forecast to hit an all-time high of 2.5 million units. So we decided to revive *BT Drive* to allow Associate Editor Kushan Mitra, who gets to play with new technology and gadgets, to indulge in even more spontaneous combustion. Join him on his test drives on page 120.

Chaitanya Kalbag

www.businesstoday.in/editor

business today

http://www.businesstoday.in

Editor-in-Chief: Aroon Purie

Chief Executive Officer: Ashish Bagga

Editor: Chaitanya Kalbag

Managing Editors: Brian Carvalho, Josey Puliyenthuruthel

Deputy Editor: Somnath Dasgupta

Senior Editors: Anand Adhikari, N. Madhavan, K. Sai Srinivas, Bhakti Chuganee

Art Editor: Safia Zahid Siddiqui

Photo Editor: Vivan Mehra

Associate Editors: K.R. Balasubramanyam, Saumya Bhattacharya, Shalini S. Dagar, Rishi Joshi, Suman Layak, T.V. Mahalingam, Puja Mehra, Kushan Mitra, Shamni Pande, Mukul Rai, Rahul Sachitanand

Assistant Editors: E. Kumar Sharma, Anusha Subramanian, Anika Gupta

Special Correspondents: Rajiv Bhuva, Taslima Khan

Principal Correspondents: Anumeha Chaturvedi, Manu Kaushik, Kakoly Chatterjee

Copy Desk: Sanjay Kumar, Virat Markandeya (Chief Copy Editors), Basudha Das (Copy Editor), Roopali Joshi (Deputy Copy Editor), G.D. Padhy (Editorial Coordinator)

Photo Department: Umesh Goswami (Chief Photographer), Shekhar Kumar Ghosh, Deepak G. Pawar, Saptarshi Biswas (Deputy Chief Photographers), Rachit Goswami, Money Sharma (Senior Photographers), Nishikant Gamre (Photographer), Lalit Rana (Senior Photo Researcher)

Art Department: Kapil Kashyap (Art Director), Rajat Baran Chakravartty (Deputy Art Director), Anand Sinha (Assistant Art Director), Anita Jaisinghani (Chief Visualiser), N. Ravishankar Reddy, Santosh Kushwaha, Vikas Gupta (Senior Visualisers)

Production Department: Dinesh Sachdeva (Chief of Production), Narendra Singh, Rajesh Verma, Rajkumar Wahi (Senior Supervisor), Mohammed Shahid (Senior DTP Designer)

IMPACT TEAM

Senior General Managers: Upendra Wellingkar (West & South), Neeraj Sharma (North), Sunil R. (Bangalore), Kaustav Chatterjee (East), V. Somasundaram (Chennai), Jitendra Lad (West)

Consumer Marketing Services: Poonam Sangha, Sr. General Manager

News-stand Sales: D.V.S. Rama Rao, Chief General Manager, Vinod Das, Senior General Manager (National), Deepak Bhatt, General Manager (North), V.A. Chotalia, Regional Manager (East), Rajesh Menon, General Manager (West), M. Krishna Kiran, General Manager (South), Rakesh Sharma, General Manager (Operations)

THE INDIA TODAY GROUP

Vol. 20, No. 3, for the fortnight January 24-February 6, 2011. Released on January 24, 2011.

● Editorial Office (Delhi) 5th Floor, Videocon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-23684812-15; Fax: 011-23684819; E-mail: btoday@giasdl01.vsnl.net.in ● Advertising Office (Delhi): Ground Floor, Videocon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-43129111; Fax: 011-23593380/81; Trade Centre, 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400013; Tel.: 022-24983355; Fax: 022-24982266; Impact office: Trade Centre 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013; Tel.: 022-24983355; Fax: 022-24982266. Chennai 2nd Floor, 98-A, Dr Radhakrishnan Salai, Mylapore, Chennai-600004; Tel.: 044-28478526-41; Fax: 28472178; Bangalore 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel.: 080-22212448, 080-30374106; Fax: 080-22218335; Kolkata, 52, J.L. Road, 4th floor, Kolkata-700071; Tel.: 033-22825398, 033-22827726, 033-22821922; Fax: 033-22827254; Hyderabad 6-3-885/7/B, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel.: 040-23401657, 040-23400479; Ahmedabad 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel.: 079-6560393, 079-6560929; Fax: 079-6565293; 39/1045; Kochi Karakkatt Road, Kochi-682 016; Tel.: 0484-2377057, 0484-2377058; Fax: 0484-370962 ● Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301; Tel.: 95120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday; 10 am-6 pm) from Rest of India; Toll free no.1800 1800 100 (from BSNL/ MTNL Lines); Fax: 0120-4078080; E-mail: wecarebg@intoday.com ● Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301; Tel.: 0120-4019500; Fax: 0120-4019664

© 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited.

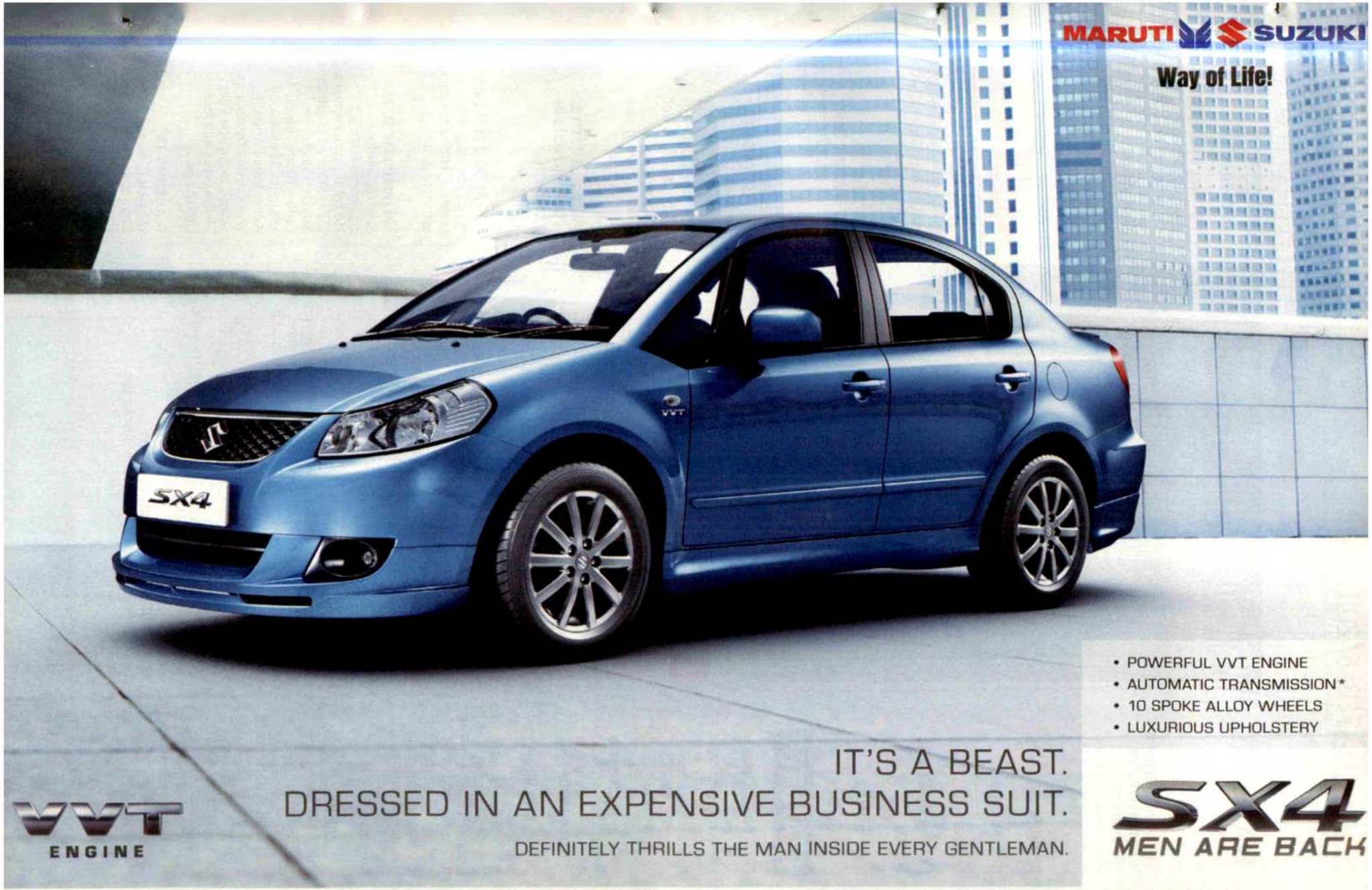
Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana) and at Plot No. 5-5/A, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai-400 708 (Maharashtra). Published at K-9, Connaught Circus, New Delhi-110 001.

● Business Today does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/ New Delhi only

For **reprint rights and syndication** enquiries, contact syndications@intoday.com or call +91-120-4078000

www.syndicationstoday.in



To test drive SMS 'SX4' to 53636 or call toll free 1800 1800 180 or (0) 9910202020. To know more, log on to www.marutisx4.com or visit your nearest Maruti Suzuki dealer today.

*Available in ZXi and ZXi-leather. Accessories shown are not part of standard equipment. Car colour may vary from actual body colour due to printing on paper. Specifications may vary basis variant.

CONTENTS FEB/ 6/ 2011

Volume 20/ Number 3

FOCUS

Quick takes on top news and trends

11 | Wanted: A Resolve to Combat Inflation
The government's short-sighted policies are stoking inflation, argues Ajit Ranade

13 | Policy

16 | Finance

18 | Tech

24 | Graphiti: Chindia Shining

26 | Etcetera

FEATURES

27 | Crocodile Tears
That food prices have spiralled out of control over the last 15 months shows inflation was not a priority for the UPA government

30 | Why Is Lasalgaon Angry?
Asia's largest onion market is on the boil

94 | Cricket's Biggest Year Ever
A World Cup followed by IPL-4 and a couple of high profile Test series will ensure that over a billion people watch the game across the world. Plus an interview with Haroon Lorgat, Chief Executive, ICC

102 | COLUMN: Charu Sharma, cricket commentator

104 | Montek's Manifesto
Yojana Bhavan is abuzz with strategy and some existential thoughts in yet another search for its relevance. Plus an exclusive interview with the Deputy Chairman of the Planning Commission

COVER BY KAPIL: PHOTOGRAPH BY VIVAN MEHRA

COVER STORY

36 | Lead Essay
Employees see themselves as brands, make hard choices and want work-life integration. This and more in the 10th BT Best Companies to Work For Survey

48 | The Toppers
There is no such thing as a perfect workplace. But some companies have people practices that are spot-on, mostly

54 | The Climbers' Club
ICICI Bank, Larsen & Toubro, Accenture, and HCL Tech rise sharply. What makes them stand out? Plus a lookout for those who slipped this year

60 | Sector Toppers
Includes BPO, BFSI, Core Sector, Engineering & Automotive, Software & IT, FMCG & Durables, Pharma & Health Care, Telecom & Allied, and Hospitality

78 | Undiscovered Gems
Three companies — Hari Krishna Exports, Broadridge Financial Solutions (India) and Vindhya e-Infomedia — have done unusual things to make the workplace irresistible without losing sight of profits

84 | METHODOLOGY: How We Did It

86 | COLUMN: Pankaj Bansal, Co-founder and CEO, PeopleStrong, on building HR strategy around the brand

90 | PHOTOFEATURE: Yabba Jobba Doo
A look at some "alternative" occupations for the thrills they offer

MONEY

110 | Keep Pace with Changing Times
Investors will need to restructure their mutual fund portfolios according to their risk profiles and financial goals

LBNL

116 | Double Role
All the world is a stage for some executives who clearly enjoy their exits and entrances

BT-DRIVE
120 | Teutonic Beast
We test drive the latest luxury car, the Audi A8L

P-TECH
122 | 2011: A Data Odyssey

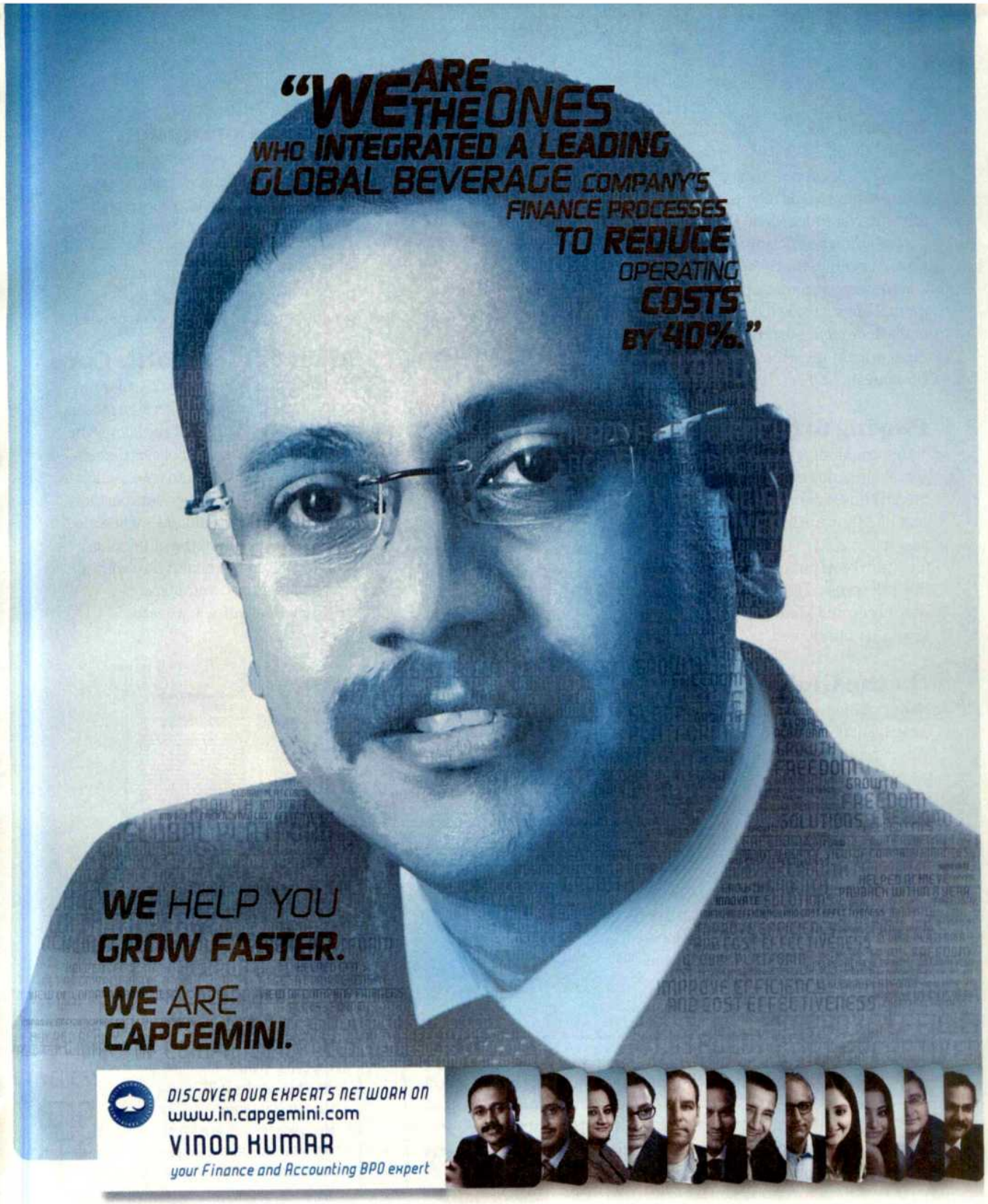
123 | BOOKEND
Sustainability Is Not a Buzzword
Adam Werbach's advice is very timely

SMART EXECUTIVE
126 | When Not to Be a Leader

JOBS
127 | As Good as IT Gets
IT and ITeS stage a smart rebound. Hiring volumes are set to go up

134 | PEOPLEBUSINESS
Starring Sanjeev Aggarwal, Founder, Helion Venture Partners; C.V.L. Srinivas, Chairman, Starcom MediaVest Group; Bazmi Husain, MD, ABB India; Mammootty, Actor; Rajan Anandan, VP, Sales and Operations, Google India; and Vijay Mallya, MD, Chairman, United Spirits

LEADERSPEAK
138 | P.N.C. Menon
Chairman, Sobha Developers



At Capgemini, we recognize that it is our people whose performance and capabilities help deliver the right business solutions. From making governments more efficient to configuring ERP solutions for manufacturing, and from streamlining the processes for financial institutions to developing smart energy solutions, we work closely with our clients to help them grow faster. But more importantly, we achieve this because we understand that what drives good business results, is good people.

People matter, results count.

Capgemini
CONSULTING.TECHNOLOGY.OUTSOURCING

Re: Letters To The Editor

Super CM

Modi Unlimited: What Makes Gujarat What It Is (BT cover, January 23) is a fitting tribute to the talents of Chief Minister Narendra Modi. His reputation as a super-performing CM has grown so much that if he were to write a book on governance and management, I am sure it will easily become a bestseller and a must read for management practitioners and students alike.
Dharmesh, *St. Louis, USA*

Playing to the Gallery

Narendra Modi is a showman. He is good at magnifying his achievements even if those are only modestly successful. Many business MoUs in the past have failed to materialise as investors have been put off by corruption in the government. Fighting corruption should become Modi's top concern.
Vrajlal Faldu, *Ahmedabad*

On the Global Map

Narendra Modi has been instrumental in bringing major business deals to Gujarat. We are proud of him and would like to see him play a national role though that would mean the state will have to part with its most charismatic leader.
Hemesh Modi, *Surat*

Riding High

Under Modi, Gujarat has become an irresistible proposition for businessmen looking to make good returns on their capital.
Nishan, *Mumbai*

"If Modi were to write a book on governance and management, I am sure it will become a bestseller"

Banish Corruption

Your anniversary issue nails corruption as a big impediment in the path of our progress. Even as India is poised on the cusp of a great economic and technological leap, we need to take bold steps to slay the monster of corruption as it can put to waste our best laid plans.
Jacob Sahayam, *Thiruvananthapuram*

Affordable Health Care

Health Critical (BT, January 23) offers insights into affordable health care models across various systems of medicine. The country needs to adopt policies that encourage innovative health care models to develop through public-private partnerships. In time, such initiatives will scale up and spread to even the hinterlands, bringing affordable health care within easy reach of the common people.
Dr Navneet Wadhwa, *Mumbai*

www.businesstoday.in@coverstory: *Modi Unlimited: What Makes Gujarat What It Is (BT,* January 23) recounts the state's economic development under CM Modi.

www.businesstoday.in@coverstory: *India Central: How We Got Here, And What Lies Ahead* (*BT,* January 9) focuses on the way ahead for India's economy.

BT SCRAPBOOK
- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.businesstoday.in

HOW TO CONTACT BT

WRITE TO:
The Editor, Business Today, Videocon Tower, 5th Floor, E-1, Jhandewalan Extension, New Delhi–110055.
E-mail: letters.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) – 201 301
Phone: (95120) 2479900 from Delhi & Faridabad; (0120) 2479900 (Monday-Friday; 10 am-6 pm) from Rest of India;
Toll free no. 1800 1800 100 (from BSNL/ MTNL Lines);
Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

www.iciciprulife.com

JEENE KA LICENSE LIYA KYA?

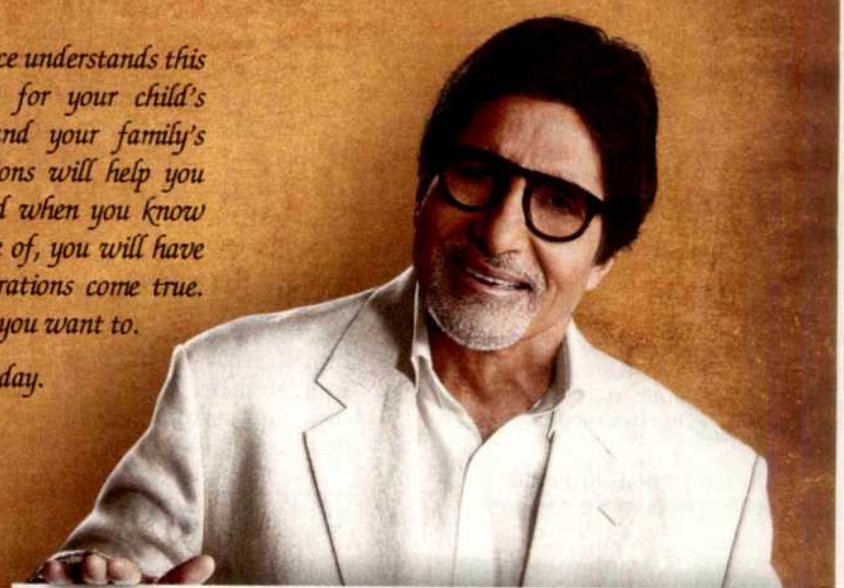
In life, you have dreams and aspirations. Maybe you wish to start your own business. Move into your own home or buy a bigger car. And these aspirations live side by side with responsibilities which you would never compromise – like your child's education, your retirement or your family's future.

Aspirations and responsibilities are the two forces which shape your life.

To pursue your aspirations, you need the assurance that your responsibilities will be taken care of, come what may.

ICICI Prudential Life Insurance understands this and brings to you solutions for your child's education, your retirement and your family's healthcare needs. These solutions will help you secure your responsibilities and when you know that they have been taken care of, you will have the license to make your aspirations come true. The license to live life, the way you want to.

Jeene Ka License. Get your's today.

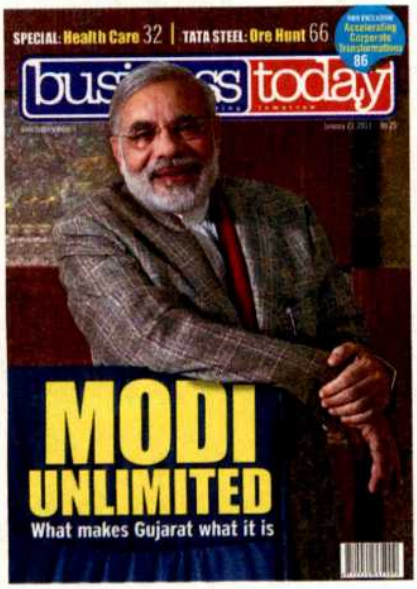


ICICI PRUDENTIAL LIFE INSURANCE

Jeene Ka License

© 2011, ICICI Prudential Life Insurance Co. Ltd. Registered Address: - ICICI PruLife Tower, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025. Reg No: - 105. Insurance is the subject matter of the solicitation. For more details on the risk factors, terms and conditions please read the sales brochure carefully before concluding the sale. Advt. No.:P/II/954/2010-11.

Now available online



Under the leadership of Narendra Modi, Gujarat's business and economy is thriving like never before. Read about how the state is scripting a new development story on the back of good governance and a methodical approach to all-round growth. Plus, a report on SMEs and an interview with CM Modi.

businesstoday.in/coverstory

Blogs

E. Kumar Sharma on the Telangana issue and concerns of corporates in Hyderabad.

» businesstoday.in/kumar

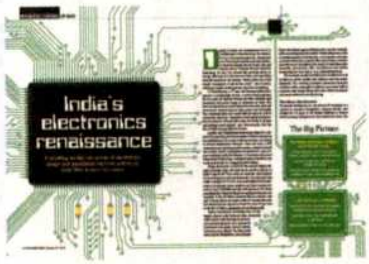
N. Madhavan on ISRO's recent setbacks and why the agency needs to restructure its GSLV programme.

» businesstoday.in/madhavan

Shalini S. Dagar on the dragon and the elephant debate in the wake of Chinese premier Wen Jiabao's India visit.

» businesstoday.in/shalini

India's Electronic Renaissance



India's electronics market is expanding at a brisk pace with scores of electronic design and manufacturing units setting up shop to cater to the growing needs of the telecom, health care and utilities sectors. However, a strained infrastructure, high power costs and poor logistics threaten to derail India's ambitions of becoming a large-scale manufacturing hub.

businesstoday.in/india-electronics-renaissance

Health Critical

A clutch of entrepreneurs in the country has come to the rescue of the consumption-driven middle class by providing them specialised therapies at a reasonable rate to cure some of the critical lifestyle diseases.

businesstoday.in/health-critical

Annual listing

Business Today's much-awaited annual specials are a collector's delight. To access these, go to www.businesstoday.in and then to archives.

Letter from the Editor »
businesstoday.in/editor

ON MOBILE

Hot New Management Tip

Get a tip for the day every day, and participate in opinion polls through SMS on your mobile phone 24 hours a day.

SMS BTTIP to 52424

NOTE: Available with all cellular operators. Regular SMS charges apply.

ANSWER THE BT-ON-THE-MOVE QUESTION

Do you agree that rising inflation could rain the parade on India's growth story?

Type **"BTPOLL Y"** for Yes.
Type **"BTPOLL N"** for No.

SMS to 52424

Readers can also participate in the poll at www.businesstoday.in
Powered by 2ergo India
www.2ergo.com

e-newsletter

Register for free and subscribe to *Business Today*'s e-newsletter.
businesstoday.in

Read Now on

ZINIO: businesstoday.in/zinio
KINDLE: businesstoday.in/kindle

UTILITY TOOLS

› **Risk Calculator**
Analyse your risk tolerance and decide your investment approach.

› **Tax Calculator**
Find out how much IT you need to pay depending on your income and investments.

› **Education Plan**
Calculate to meet your child's expenses.

› **Retirement Plan**
Find out how to maintain your current lifestyle after retirement.

› **EMI Calculator**
Know how much equated monthly installment you will pay on your loan.

› **Business Tips**
Hot tips to keep you ahead of rivals in business.

FOCUS

16 A Brand New Option
18 Digital Camera, Reborn
24 Chindia Comes Calling
26 Women's Bill in Limbo

Wanted:
A Resolve to Combat Inflation

The government's short-sighted policies are stoking inflation, argues Ajit Ranade

Let me give an example to show the contrast in the policy approaches of India and China for fighting inflation. Over the past six months, house prices in Mumbai have gone up 30 per cent. That translates into an annual inflation rate of more than 60 per cent for property prices. Yet, these soaring property prices do not benefit the city government at all, since taxes are minuscule as they are determined by the rent control measures of the 1940s. Soon Mumbai's Municipal Corporation (BMC) will switch over to taxes based on the market value of properties to actually benefit from the high prices. Despite this switch, the tax will still be barely 0.05 per cent of the value of a property.

At the same time, Shanghai is introducing a stiff property tax of close to one per cent (i.e., 20 times that of Mumbai) to curb speculation in property. So, while Shanghai has sought to fight the inflation battle, the BMC is hoping to cash in on the speculative boom. To be sure, it is not the BMC's job to rein in

prices, but the cases show how China and India have adopted different policies in an inflationary environment. I will explain where we are going wrong in our war against inflation.

Even excluding real estate or gold, the general inflation in India is raging, and it seems we are fighting a losing battle. Onion prices are soaring. Food price inflation, which dominates the CPI measure, is currently running at 18 per cent. This high double-digit food inflation is neither a recent nor a temporary phenomenon. The average annual inflation rate over the past five years for food prices has been twice as high as the general inflation. It has been in double digits through most of this period. For milk and pulses, it has been closer to 20 per cent per annum (which the Reserve Bank of India, or RBI, calls the "protein problem"). Sugar prices have left a sour taste, and imports have not helped. Inflation pervades non-food crops as well. Cotton prices are at all-time highs, and exports are mostly banned despite a bumper crop.

True, high inflation is affecting most emerging market economies across Asia and Latin America. But India stands out, especially in food inflation. There is an equal contribution from non-food and non-agricultural components, too. Crude oil, internationally, is drifting higher than $90 a barrel. Metal prices have gone above their pre-crisis levels, with some touching all-time highs. Some of this "commodity inflation" is not due to supply-demand mismatch, but because hedge funds are "investing" in commodities much like gold or silver. The extremely loose monetary policy and quantitative easing by the US Federal Reserve is aiding speculative flows into commodities.

RANADE'S TAKE

- The Food Corporation of India failed to release sufficient quantities to subdue inflation
- Annual increases in minimum support prices of crops also driving inflation
- Huge difference between the farm-gate and the food-plate price points to systemic inefficiencies
- Restrictive agricultural procurement laws are part of the problem
- High commodity prices are a result of hedge fund activity
- Monetary tightening, fiscal support and currency strengthening are required to check prices

Against these internationally-created odds of global commodity and food inflation, the domestic battle against inflation is not going anywhere. Despite five interest rate increases by the RBI, the inflation rate has not come any closer to its target. Maybe the RBI was not proactive enough. You cannot now cure the disease with a vaccine, which works only ex ante (before the event), not ex post (after the event). Bank depositors are now getting a negative return, and real interest rates are also negative.

The coexistence of food inflation along with overflowing granaries of the Food Corporation of India is very troubling. Why was not food released continuously in small dribbles, as suggested in last year's Economic Survey? Why are the annual increases in the minimum support prices of various crops always more than the general inflation? These support prices have become de facto procurement prices. Then, frequent increases in railway freight have outpaced inflation as well.

The huge gap between the farm-gate and the food-plate price also points to inefficiencies and rigidities. The government says it is due to cartels. Or is it due to restrictive agricultural procurement laws? For several years crop productivity has stagnated, and extra-high yields remain isolated instances. Gujarat claims high productivity in cotton, but in Vidarbha cotton farmers are in distress. What are the intra-country best practices that can be emulated?

The fight against inflation requires monetary tightening, fiscal support (through lower duties and expenditure compression), currency strengthening and administrative smartness (in food management, for example). Just because we have limited room in these areas in the short term does not mean that we resort to CBI type raids on onion traders. In the medium term, we need to focus on supply side measures, too, including loosening the state's grip on food procurement. Finally, just like *roti, kapda aur makaan*, housing prices, too, will need a Shanghai kind of attention. Otherwise housing prices, too, will go through the roof.

The author is the Chief Economist, Aditya Birla Group
Views are personal

(See* Crocodile Tears *on page 27)

WORDSMITH
Wombat

Wohm-bat

What it means: Wombat is an Australian marsupial but in the corporate world refers to projects that are a drain on resources without yielding the desired results.

Origin: It was originally an acronym for "waste of money, brains and time". The word became popular in the US and the UK in the early 2000s.

Usage: Many social welfare schemes of the government are a wombat.

All About Number Portability

It should ensure superior mobile services for post-paid subscribers. BY MANU KAUSHIK

What will change...

After a delay of over a year, the much-awaited mobile number portability, or MNP, will start rolling out across the country from January 20, 2011. MNP will enable all post-paid subscribers to switch their service provider without changing their mobile number, at a nominal fee. It was launched in the Haryana circle in November 2010, and the service is now being implemented in two phases across all 22 circles. The Department of Telecom had shortlisted two global players — Syniverse Technologies and MITS — for the technology support to operators in April 2009.

RAJAT BARAN

... its implications...

MNP should bring about better service. A subscriber will be able to switch operator even if one uses GSM technology and the other CDMA. But, in this case, the subscriber will have to buy a new handset. The MNP facility will be available only to those users who have been with their present operators for over 90 days. Also, users are not permitted to switch operators and retain the same number between two circles.

MNP is expected to intensify competition among operators for the 35 million post-paid subscribers, who account for one-third of their revenues but add up to less than 10 per cent of the total user base. Says Kedar Sohoni, President, Informate Mobile Intelligence, a Mumbai-based research agency: "Disgruntled post-paid subscribers who are keen on retaining their numbers would surely opt for MNP."

... and global precedents

MNP has been successful in the US, Australia, Malaysia, Finland, and Hong Kong because of speedy porting (changing operators) and regulatory support. In the US, where wireless number portability was introduced in 2003, consumers have largely gained as operators offered better deals, network improvements and better service to retain customers. MNP did not succeed in the UK because of resistance from local operators, who imposed long porting times. This allowed them to retain subscribers with attractive price plans. In India, TRAI mandates porting within seven working days.

ADITYA BIRLA
HINDALCO

WHAT YOU SEE IS A SLEEK, LIGHTWEIGHT MARINE CARRIER.

WHAT WE SEE IS OUR INTELLIGENT FRAMEWORK GIVING IT SOLIDITY.

WHEN IT'S EXPERTISE IN ALUMINIUM EXTRUSIONS, LET HINDALCO BE YOUR STRENGTH.

Hindalco's expertise lies in quality. Made from virgin aluminium, Hindalco Extrusions are preferred for their superior alloy composition and metallurgical properties to meet the most stringent performance parameters. Our expertise in extrusions is backed by superior Wagstaff AirSlip® billet casting technology. Hindalco Extrusions are manufactured to precision specifications and are preferred for all critical applications in technology-intensive industries like Marine, Aerospace and Defence. Hindalco's excellence is also backed by superior service from a team of dedicated experts who customize solutions after understanding specific customer needs. Expertise, in quality and service, makes Hindalco Extrusions the strength behind industries.

Industries using Hindalco Extrusions:

- Building & Construction • Transportation
- Electrical & Electronics • Industrial Machinery
- Consumer Durables • Defence

HINDALCO
EXTRUSIONS

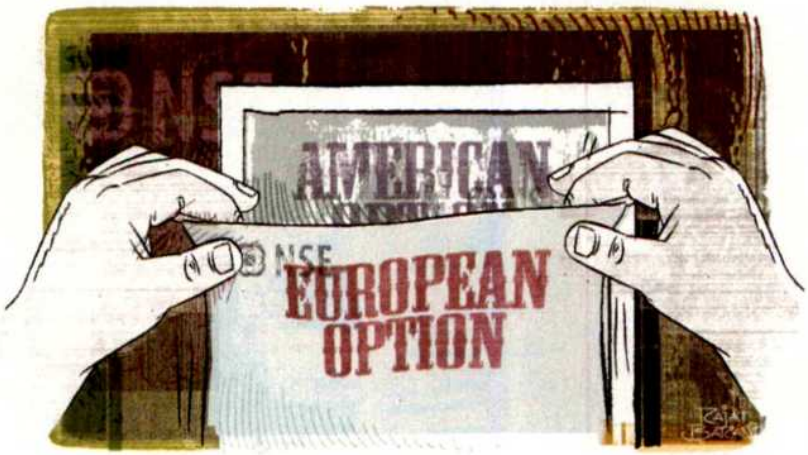
EXPERTISE IS OUR STRENGTH

www.hindalcoextrusions.com

Network HE1911-10

A Brand New Option

The NSE is altering the rules of the game in the stock options market with the introduction of European options from January 2011. BY RAJIV BHUVA



RAJAT BARAN

What's proposed

All stock options contracts in the derivative segment of the National Stock Exchange, or NSE, will switch over to European style options. So far, the NSE has offered only American options. The Securities and Exchange Board of India, or SEBI, the market regulator, has cleared the change that will come into effect from January 27, 2011.

What's different

Currently, all the stock options contracts follow the American style. Simply, a call owner buys shares (and the call seller sells shares) while the put owner sells shares (and the put sellers buys shares) at an agreed price on a future date. At present, the buyer of a call or put option can exercise the option at any time before the contract expiry, if his position is "in the money" i.e., he can buy shares at a discount (call buyer) or sell shares at a premium to the stock price (put buyer). Now, in a European style option, the option buyer will be able to buy/sell shares only at the time of contract expiry which falls on the last Thursday of every month.

The inherent advantages...

Market observers believe that the move will improve liquidity in stock options. European options pare the overnight volatility risk in the underlying stock for sellers. Also, American options tend to be costlier. In the American style, an options buyer has to pay a steep premium to the seller because the options holder has many opportunities to use the options and hence that privilege has its price. European options also ensure a level playing field between the buyer and seller of options as there is no early exercise risk. Remember, in American options, the buyer may exercise his right at any time before the contract expiry.

... and the disadvantages

European options lack flexibility because of the predetermined date of exercise. Also, the profit in European options is usually the highest just before expiry and, world over, European options typically stop trading a day before expiration. With liquidity drying up, it becomes impossible for traders to sell the options just before the contract expires.

NUMBERS OF NOTE

$8.9 BILLION
India's trade deficit in November 2010. It had reached a 23-month high of $13.06 billion in August.

$20 BILLION
The bilateral trade target set between India and Russia by 2015. Currently, it is about $5 billion.

$60 BILLION
The bilateral trade between India and China. China is currently India's largest trading partner and trade is expected to touch $100 billion in five years.

$116.9 BILLION
Trade between India, West Asia and North African region in 2009-10.

C$15 BILLION
The expected volume of bilateral trade between India and Canada in five years, in Canadian dollars. Currently, the volume is about 4.2 billion Canadian dollars.

Good investment advice does wonders for your money.

Imagine what award-winning advice can do!

Best Performing National Financial Advisor Bank (for the second time)
- UTI MF & CNBC TV18
Financial Advisor Awards 2010

EUROMONEY Private Banking Survey 2010

'Best Private Bank in India'

Global Private Banking Awards 2010 WINNER

Best Private Bank in India
Awarded by 'The Banker' and 'Professional Wealth Management' (PWM) magazine
- Financial Times publications

When you think of investments, think HDFC Bank.

EuroRSCG/HDFC Bank/11

efit from our award-winning advice,
speak to our branch staff
on to www.hdfcbank.com

HDFC BANK

We understand your world

More interesting Apple gadgets and a camera from Sony.

The Future of Laptops

The second-generation MacBook Air from Apple is as close to personal computing perfection as you can get. What more could you want from a portable computer? It has a great form factor which feels even better thanks to the aluminium unibody shell. It weighs next to nothing and the 11-inch screen is big enough for most purposes. Yes, from a performance standpoint, the machine is not in the same league as its MacBook Pro brethren, but it gets most things done fairly well. In fact, it is a lot better than competing Windows-powered Netbooks, even the better ones such as the Sony Vaio X-series.

The lack of an optical drive is possibly the only negative point. The only thing that can put you off buying a MacBook Air is, of course, the iPad. A 64GB capacity Wi-Fi iPad costs $699 (₹31,450), cheaper than the MacBook Air with a similar storage capacity. But an iPad and a MacBook Air have completely complementary roles.

Sure, later this year you will see cheap replicas of the design by various manufacturers. Apple has managed to accomplish an amazing fusion between form and function.

MacBook Air

- ⊕ The best small form-factor computer ever made
- ⊖ Pricey, no optical disc player

Price: 11-inch MacBook Air starts at ₹60,900 (1.4GHz processor, 2GB memory, 64GB storage)
13-inch MacBook Air starts at ₹79,900 (1.86GHz processor, 2GB memory, 128GB storage)

Sony NEX-5

- ⊕ Light weight, interchangeable lenses, good pictures
- ⊖ Not a DSLR replacement, rather a stepping-stone

Price: ₹39,990

The Digital Camera, Reborn

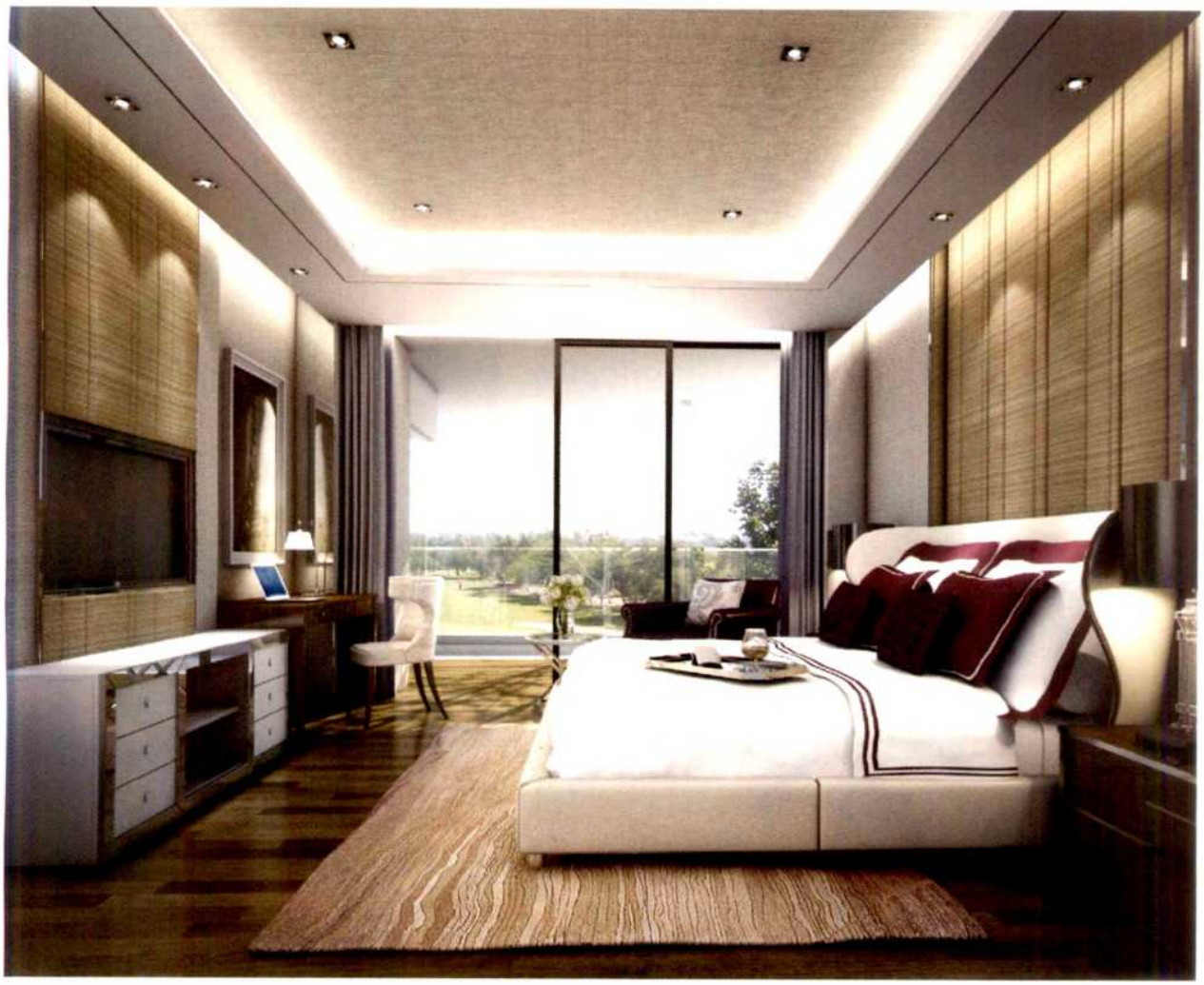
The mirrorless format has taken the digital photography world by storm over the past year. While it has some disadvantages over conventional digital single-lens reflex, or DSLR, cameras, Sony has tried to change the rules of the game with its two new products, the NEX-3 and NEX-5. The NEX-5 has full-HD recording ability and a lighter and high-quality magnesium body and is an excellent product.

NEX-5 is incredibly light and that should help users of smaller digital cameras. Plus it throws in the biggest benefit of DSLR cameras — interchangeable lenses. Sony offers a 18 to 55mm kit-lens, but the new mount of the NEX series means that you cannot use the older Sony Alpha lenses without an adapter. The NEX-5 uses the same type of sensor as the entry-level DSLR cameras and in terms of navigation and the ability to set up pictures, it is closer to regular point-and-click Cybershot digital cameras than Sony's Alpha DSLR range.

COMPILED BY KUSHAN MITRA

Central Park®

Only a handful will appreciate luxury so evolved. What's worse, only a few will get to own it.



Presenting **Celebrity Duplexes**, each with a grand view of a 20-acre* Central Garden at Central Park II, Sector 48, Gurgaon. Prime location. Premium neighbourhood.

Belgravia®
The Gold Standard of Living

For more information, please call: 9911292932, 9911292934, 9911898927, 9911292947
To request for corporate presentation, please call: 9911898931. **Email:** enquiry@centralpark.in, **Website:** www.centralpark.in

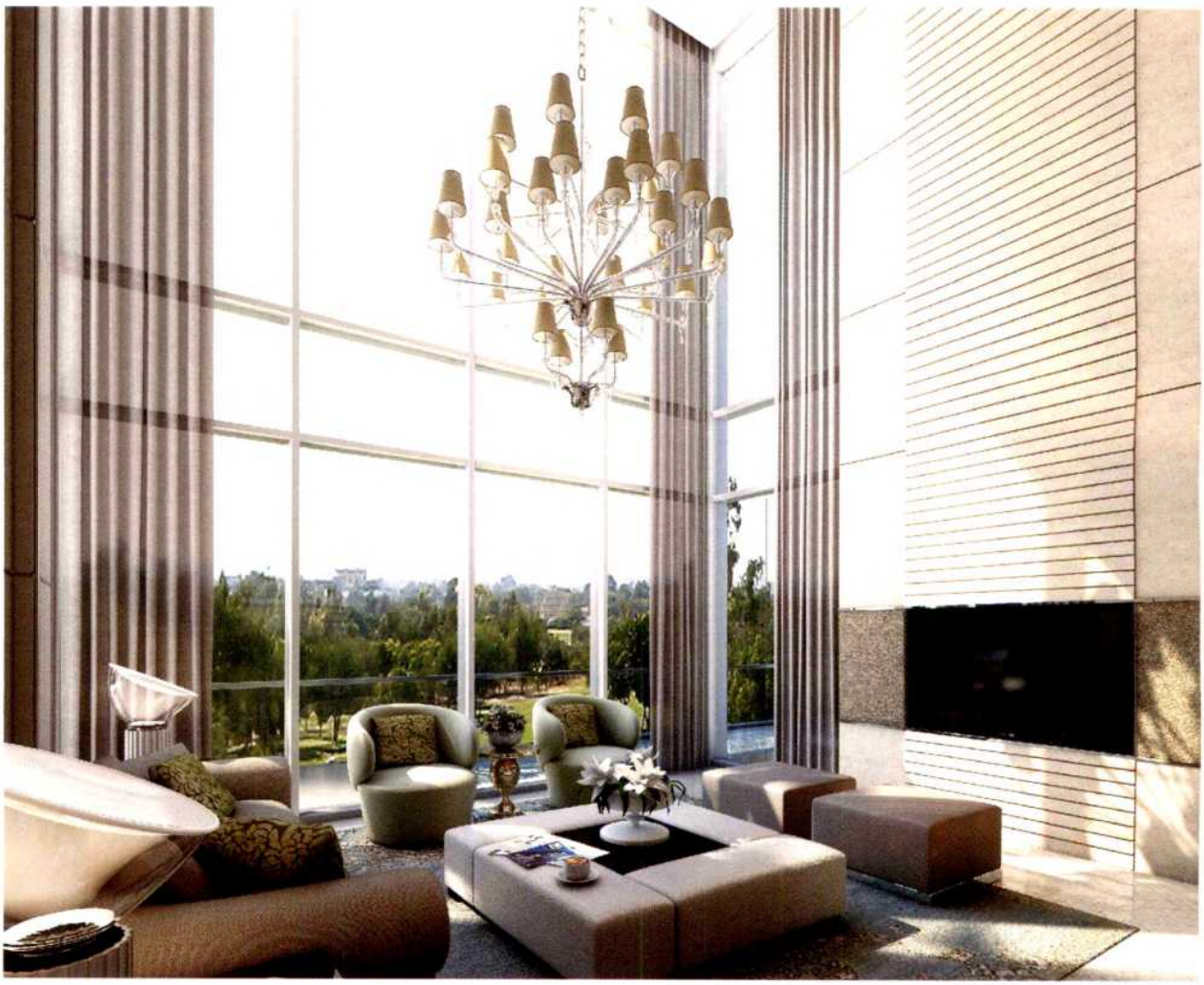
Corporate office: Sweta Estates Pvt. Ltd., 3rd Floor, Tower D, Global Business Park, Mehrauli-Gurgaon Road, Gurgaon - 122 002.
Site/Sales office: Central Park II, Sector 48, Gurgaon.

All images are an artistic conceptualization and are not a legal offering and do not purport to replicate the exact product. The developer reserves the right to amend/alter the area, layout plans, elevations, specifications and amenities. For detailed information, kindly refer to the application form.

*2.5 acres = 1 hectare

Central Park®

It's not everyday that an apartment like this is thought of. Only fair, that not everybody gets to own it.



Presenting **Celebrity Duplexes**, each with a grand view of a 20-acre* Central Garden at Central Park II, Sector 48, Gurgaon. Prime location. Premium neighbourhood.

Belgravia®
The Gold Standard of Living

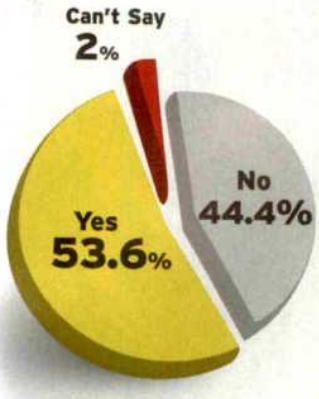
For more information, please call: 9911292932, 9911292934, 9911898927, 9911292947
To request for corporate presentation, please call: 9911898931. **Email:** enquiry@centralpark.in, **Website:** www.centralpark.in

Corporate office: Sweta Estates Pvt. Ltd., 3rd Floor, Tower D, Global Business Park, Mehrauli-Gurgaon Road, Gurgaon - 122 002.
Site/Sales office: Central Park II, Sector 48, Gurgaon.

All images are an artistic conceptualization and are not a legal offering and do not purport to replicate the exact product. The developer reserves the right to amend/alter the area, layout plans, elevations, specifications and amenities. For detailed information, kindly refer to the application form.

*2.5 acres = 1 hectare

Is a further hike in interest rates by the RBI required to keep inflation in check?



Results of *BT* online poll; No. of respondents: 175

The majority concurs that the Reserve Bank of India should increase rates.

The central bank raised interest rates six times in 2010 to help tame inflation. But analysts are divided over whether further rate increases will help in combating inflation. The problem now is not demand-pull inflation. Food prices, which are stoking inflationary expectations in the economy, are being driven by supply bottlenecks. An increase in key rates will do little to check food inflation. Further rate increases will only take a toll on India's growth story just when the economy is recovering from the slowdown. The growing interest rate differential between India and the US will also attract a torrent of capital, putting pressure on the rupee and hurting the interests of exporters.

Next poll question:

Should the government decontrol the prices of diesel, kerosene and LPG?

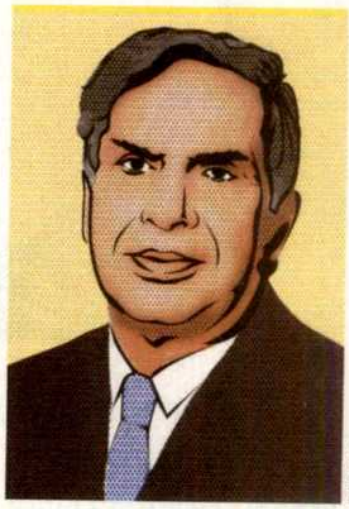
Log on to www.businesstoday.in to cast your vote

BT-CARMA

CEO Watch

INDIA'S AND THE WORLD'S MOST TALKED-ABOUT CEOs IN DECEMBER

Ratan Tata



Ratan Tata was the focus of media attention and the most-tracked CEO in December. For the wrong reasons, though: the controversy over his comments in the Niira Radia tapes. His war of words with Rajeev Chandrasekhar, the former telecom entrepreneur-turned Member of Parliament, over the 2G spectrum allocation policy also kept Tata in the limelight.

Wipro Chairman Azim Premji was in the news for his philanthropy. Premji has decided to give some ₹8,800 crore for school education in India and got a pat on the back from all quarters.

TOP 10 INDIAN CEOs

Anil Ambani

Mukesh Ambani

Rank	CEO/Company	No. of Stories	
1	Ratan Tata/ Tata Group	108	▲
2	Anil Ambani/ ADAG	23	▲
3	Mukesh Ambani/ Reliance Industries	18	▼
4	O.P. Bhatt/ State Bank of India	13	▲
5	Azim Premji/ Wipro	12	NEW
6	S. Gopalakrishnan/ Infosys	10	▼
7	Sunil Mittal/ Bharti Group	10	NEW
8	B.M. Munjal/ Hero Honda	9	NEW
9	Vijay Mallya/ Kingfisher	8	NEW
10	Deepak Parekh/ HDFC	8	NEW

TOP 10 GLOBAL CEOs

Warren Buffett

Rupert Murdoch

Rank	CEO/Company	No. of Stories	
1	Warren Buffett/ Berkshire Hathaway	60	▼
2	Rupert Murdoch/ News Corp	58	▲
3	Mark Zuckerberg/ Facebook	40	▲
4	Jeffrey Immelt/ General Electric	35	NEW
5	Steve Jobs/ Apple	33	▼
6	Ratan Tata/ Tata Group	30	NEW
7	Jeffrey Kindler/ Pfizer	28	NEW
8	Alan Joyce/ Qantas	21	NEW
9	Eric Schmidt/ Google	19	NEW
10	Larry Ellison/ Oracle	18	NEW

NISHIKANT GAMRE

"Some soft spots [in the economy] are discernible... External sector ratios have deteriorated, fiscal conditions are still under pressure, and inflationary pressures persist."

D. Subbarao, *RBI Governor, in the central bank's second* Financial Stability report

"Some of the things we are not doing right. In microfinance, there may be some aberrations, but you should not regulate out of existence."

Kaushik Basu, *Chief Economic Advisor, in the Ministry of Finance, in* Business Standard

SHEKHAR GHOSH

"No other company in the world is as complex as L&T... not even General Electric. No one chairman can manage such a complex operation."

A.M. Naik, *L&T Chairman, on the restructuring plan that will divide the engineering and infrastructure behemoth into nine virtual companies, in* The Economic Times

YASHWANT NEGI

RACHIT GOSWAMI

"India is one of the few countries in the world, if not the only country, where we are powered by the twin engines of consumption and investment."

Kalpana Morparia, *Chief Executive Officer of JP Morgan India, in* Mint

"From an environmental point of view, it is really tragic that nuclear energy is a red rag to the green bull."

Jairam Ramesh, *Environment Minister, in* Business Standard

CLASSIC BUSINESS QUOTE

"We may need to solve problems not by removing the cause but by designing the way forward even if the cause remains in place."

Edward de Bono

apollo
www.apollotyres.com

"WELCOME BACK, PAL."

Go on out. An old friend is calling.

It's time to befriend the road again. To discover its joys without care or worry. To ride on tyres that make every twist and turn, every rough patch, feel like a warm welcome. Built with materials sourced from the world's best, and engineered to global quality standards, Apollo tubeless tyres are proven on world-renowned test tracks in India and Europe, like ATP Papenburg, Germany. And come with the assurance of puncture resistance, incredible grip, unmatched comfort and longer tyre life. Go on, make friends with the one who takes you places.

ASPIRE ACELERE AMAZER 3G MAXX

apollo

Unmatched Comfort ● Longer Tyre Life ● Superior Puncture Resistance | The Road is a Friend

APOLLO SUPER ZONE - Kolkata: Indo Radial Club: 9830043871. **APOLLO ZONES - Ahmedabad**: Maniar Tyre World: 9825006768. **Bangalore**: Super Tyre World: 9844977707. **Bhopal**: Arihant Wheels: 9425004745. **Chennai**: Lal Tyres Pvt Ltd: 9841025028, V. S. Enterprises: 9940617460. **Cochin**: Global Tyres: 9447485664. **Delhi**: Speed Tyres: 9811786187. Tyre Mart: 9560661717. **Karad**: N. S. Distributors: 9422402381. **Noida**: Ashok Motors: 9868259555. **Patiala**: National Tyres: 9814040313. **Rohtak**: Tyre Ghar: 9896212892. **Thane**: Satyam Tyres: 9967056647. **Trivandrum**: Popular Tyres: 9447053838. **Vashi**: Baba Sai Tyre House: 9322296261.

Capital/apollo/002

THE TOP 10 Most Watched Ads

December 2010

Act II Microwave Popcorn GRPs 1,239

1 Rank

Seconds on air: 293,490

Complan GRPs 1,059

2 Rank

Seconds on air: 309,195

Coca-Cola GRPs 1,009

3 Rank

Seconds on air: 545,115

Dettol Skincare Soap GRPs 811

4 Rank

Seconds on air: 304,680

Tata Nano GRPs 767

5 Rank

Seconds on air: 261,130

Lifebuoy Total GRPs 716

6 Rank

Seconds on air: 305,160

Fair & Lovely Multivitamin GRPs 708

7 Rank

Seconds on air: 382,315

Fair & Lovely Forever Glow GRPs 694

8 Rank

Seconds on air: 246,100

Yahoo Co In GRPs 681

9 Rank

Seconds on air: 378,865

Airtel 3G GRPs 680

10 Rank

Seconds on air: 301,560

There are a few surprise entrants in the Top 10. Act II Microwave Popcorn is at No. 1. It is a relatively unknown player trying to establish itself in a completely new product category with no known big brands in the space. Tata Nano is at No. 5. Tata Motors seems to be once again trying to position the Nano as a comfortable, safe and fuel-efficient car for India's teeming middle class. In a way, it is hoping to put the disappointment of a tardy initial response to the Nano launch behind it. We will wait and see whether the aggressive promotions do the trick for the Tatas.

COMPILED BY SHAMNI PANDE

... THE OTHER 15

RANK/BRAND		GRPs
11	Rin (new flavour)	672
12	Vim Drop	669
13	Incredibleindia	662
14	Airtel 3G	662
15	Pureit Water Purifiers	658
16	Dove Intense Repair Therapy	655
17	Tetra Pak India	645
18	Clinic Plus Shampoo	632
19	Ponds Gold Radiance	614
20	Olay Natural White Cream	611
21	Huggies Care	599
22	Tata Premium CTC Leaf	587
23	Cadbury Perk Glucose	584
24	Maggi Romantic Capsica	564
25	Fair & Lovely Winter Fairness	560

Source: TAM Peoplemeter System
All India CS 4+yrs GRP normalised to 30 secs
To see ad duration, visit www.businesstoday.in

Shanthi Gears

The only Gear Company in India
with Aerospace - **AS9100B** certification
(Based on and including ISO 9001:2000)

Good gears always add into your profits

The efficiency of a gear could make or break you in your industry. That is where we step in with high quality, high precision gears, gear boxes, geared motors and gear assemblies both standard & custom built. Think gears. Think Shanthi. Because our gears won't chew into your profits.

We, at Shanthi Gears, have always endeavoured to keep pace with the evolving technologies and give highly customized solutions to industry leaders across the world because the fact remains that a machine is only as good as its gear. Ours is the only Gear Company, perhaps in the whole world, to have end-to-end facilities like castings, forgings, fabrication, heat treatment and complete gear / gear box manufacturing including hob making, all in-house, in a built up area of one million square feet, spread over 125 acres of land.

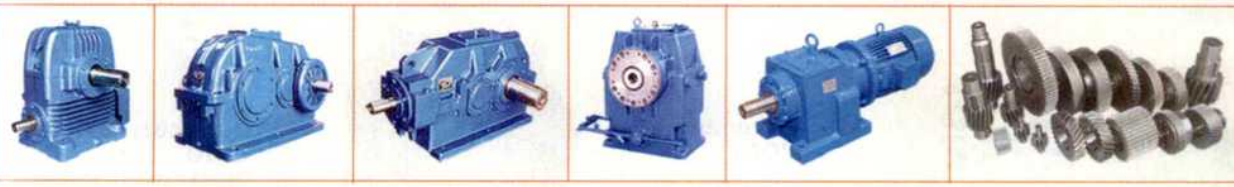
Today, you can find that our gears are driving aircrafts, trains, tractors, compressors, cranes, elevators, conveyors and other machinery in almost every industry like cement, textile, power, steel, sugar; just to name a few.

We have brought into effect new, efficient and speedy customer support and logistics to further strengthen our customer relationship. With these additional systems, we can constantly work with our customers meeting their requirements on time, every time.

All you need is to call our Head Office or our nearest Sales Offices directly.

For any breakdown / emergency, we can do it in no time through our red channel route, by which various processes happen continuously like passing through a conveyor belt.

www.sasiads.com



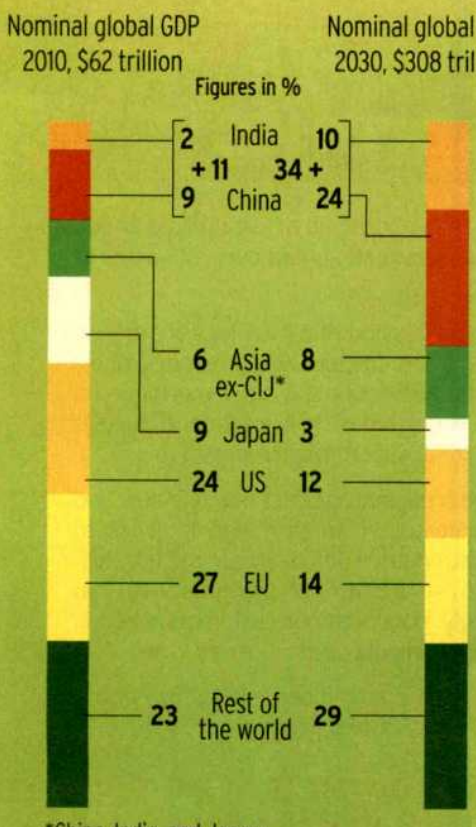
SHANTHI GEARS LIMITED

304-A, Shanthi Gears Road, Singanallur, Coimbatore - 641 005. Tamilnadu. India. **Ph :** 91 - 422 - 2273722 to 34
Fax : 91 - 422 - 2273884 / 85 **E-mail :** info@shanthigears.com **Web :** www.shanthigears.com

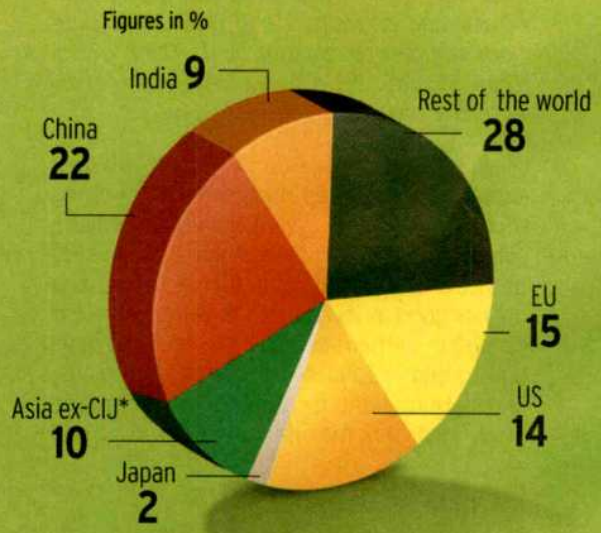
CHINDIA RISING

As the world emerges gingerly from the recession, the structure of the global economy is changing. It will be powered by China and India over the next couple of decades.

1 The share of India and China in the world economy will grow three-fold by 2030...



2 ... and almost one-third of the global growth by 2030 will come from China and India...



5 STEPS TO HERE
THE ONION CRISIS

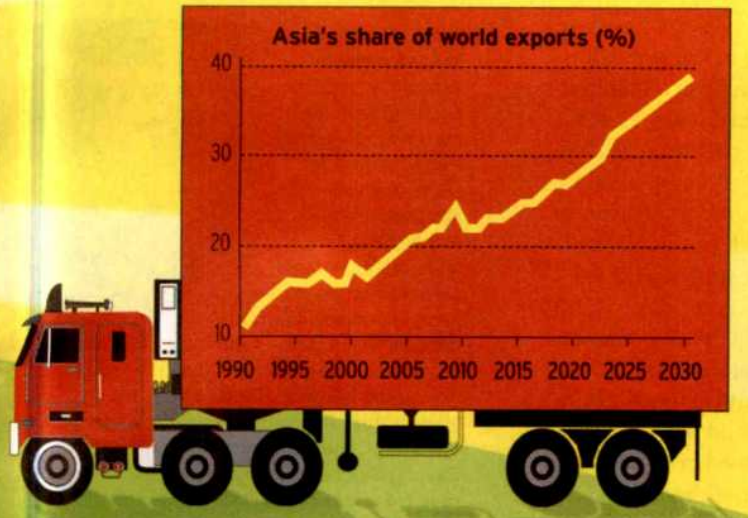
1

December 19, 2010
Onion prices hit a high of ₹80 per kg.

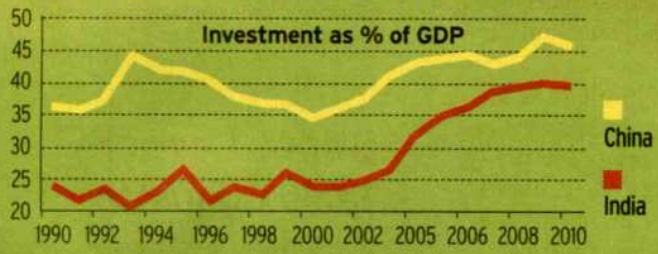
2

December 20, 2010
Onion exports banned till January 15, 2011, to check prices.

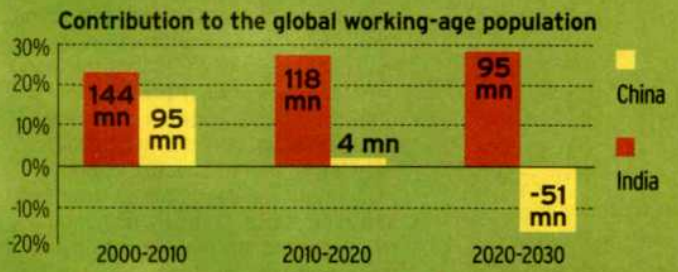
3 ... ensuring that Asia will be a key driver of global trade



4 India's investment is fast catching up with China's which should make it the fastest-growing economy soon...



5 ... and the rapid growth will be driven by favourable demographics



Source: IMF, UN, World Bank, Standard Chartered Research

SANTOSH KUSHWAHA

BT Retro
January 1, 2006

Bearish Symptoms

THEN: After 9,000 it's only natural that the punters start setting new targets for the benchmark Sensex — 12,000, and 15,000 for 2006 are just two of them. Such naked bullishness is not unwarranted, but it is not as if there are not any dark clouds hovering over Phiroze Jeejeebhoy Tower, the headquarters of the Bombay Stock Exchange (BSE). One particularly gloomy patch in the sky is courtesy the rupee's decline against the US dollar, which has been a major worry for foreign institutional investors (FIIs), whose liquidity has been largely responsible for the current bull run. A falling rupee will naturally bring down the returns of FIIs investing in Indian market.

Yet another factor that is turning the tide against India is the measured hike in the US Fed rate from a decade-low one per cent to four per cent. With rates expected to go up to 4.5 per cent or a maximum five per cent, short-term speculative FII dollar inflows have received a jolt. The Fed rate hikes are boosting the dollar, as more Asian economies begin chasing the US treasury for higher returns. In the meanwhile, corporate India is in expenditure mode, which could bring down the return on equity and the return on capital employed. The rising interest rates, domestically and globally, will also put pressure on the margins. In fact, South Korea, Indonesia, Thailand, and Singapore have seen upward movements in interest rates. Are the FIIs watching?

NOW: It is a complete trend reversal. Surging FII inflows are driving the Indian stock market. Higher interest rates in India make the country a magnet for foreign capital, putting upward pressure on the rupee.

3

December 25, 2010
Prices ease to ₹40-50 per kg across the country as the ban starts to work.

4

December 29, 2010
Imports from Pakistan begin to arrive.

5

January 6, 2011
India's food price index up by 18.32 per cent.

MANU KAUSHIK

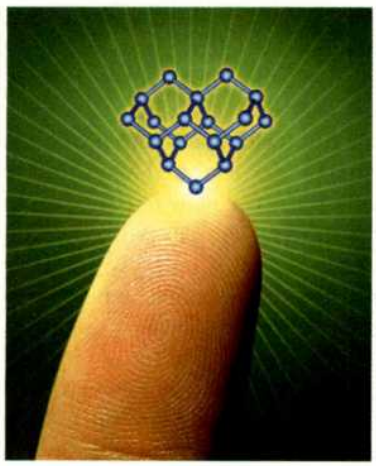
HOW THINGS WORK

Nanotechnology

Last year, nanotechnologists at the University of Glasgow rang in Christmas by unveiling the smallest Christmas card in the world. It is so small that more than half a million such cards can fit on a standard A5 Christmas card (15 cm by 21 cm). It was an unusual way to demonstrate the power of this esoteric but rapidly developing science.

Smaller than an atom: Generally, nanotechnology deals with structures between one and a hundred nanometer in size. A nanometer is a billionth of a metre – about one hundred thousandth the diameter of a human hair. Scientists from diverse disciplines are studying nanotechnology, given its potential.

Wires and tubes: Two nano structures are attracting the most interest in nanotechnology — nanowires and carbon nanotubes. Nanowires are wires with extremely thin diameters and are being increasingly used in electronics. Carbon nanotubes are cylinders of carbon atoms. Depending on how atoms are arranged, a carbon tube can be created that is several times stronger than steel but far lighter.



Nanotechnology is already being used in everyday life. Today, paints use nanotechnology to prevent staining; car lubricants use it to prevent wear and tear.

JUST WONDERING

Women's Bill in Limbo

Whatever happened to the government's avowed intention to reserve 33 per cent of the seats in Parliament and state legislatures for women? On March 9, 2010, the Rajya Sabha passed the epoch-making Women's Reservation Bill by a two-thirds majority, with the ruling Congress joining hands with the Opposition Bharatiya Janata Party and the Left in a rare show of unity. The Bill now has to be cleared by the Lok Sabha, again by a two-thirds majority, to become law but not much has been heard about it since then.

The Bill has been pending in Parliament for over 14 years, facing stiff opposition from members across the political spectrum. The government will now have to show its political will to once again evolve a consensus with the Opposition to get the Lok Sabha's assent. But it may not happen any time now, given the fresh strain in the relations between the government and the Opposition.

COMPILED BY T.V. MAHALINGAM, RISHI JOSHI

Quirky

An Onion Deposit, Please

As onion prices soared, protesters, especially politicians, came up with novel methods to vent their ire. A Samajwadi Party leader in Kanpur marched towards a Bank of Maharashtra branch with his hordes to deposit, er, onions, in a safe deposit box. It was a symbolic gesture to embarrass the Minister for Agriculture, Sharad Pawar, who is from Maharashtra. In Madhya Pradesh, none other than the Chief Minister's wife, Sadhna Singh, filled up a loan application. No prizes for guessing what she wanted to buy with the loan amount. Onions. Meanwhile, the common man in the Indian republic does not know if he should laugh or cry. Laugh at the politicians' sense of humour or cry over the prices.

Snoot Corner

Table Etiquette

So, you have a job interview. And it is over chow. What do you do? First, turn up on time. If it is a foreign specialty cuisine restaurant, it will help if you know how the dishes are pronounced. It is better than mouthing "that one" to your prospective boss. Order something that is easy to eat. Shellfish or crabs may not be easy to eat. Check the menu card for prices of what you are likely to order. You do not want to come across as a freeloader. Do not order alcohol even if it is offered to you. Eat in moderation and do not burp please, not at least in earshot. Finally, do not offer to pay the bill, but remember to thank the host for the meal.

airtel

galvanize your business...

airtel

...with our productivity enhancers

airtel is known for focused business communication solutions, designed specifically to increase efficiency and productivity of your organization. Business communication solutions developed by airtel reduce time to market with ready to use solutions, enable your mobile workforce and remote working solutions, empower collaboration with resources from across the world and save on capital investment with OPEX based commercial models.

Productivity enhancing solutions from airtel

Quick start solutions
- Business ready branch
- VPN in a box
- Hosted Contact Center
- Data Center services
- Application Quality Management

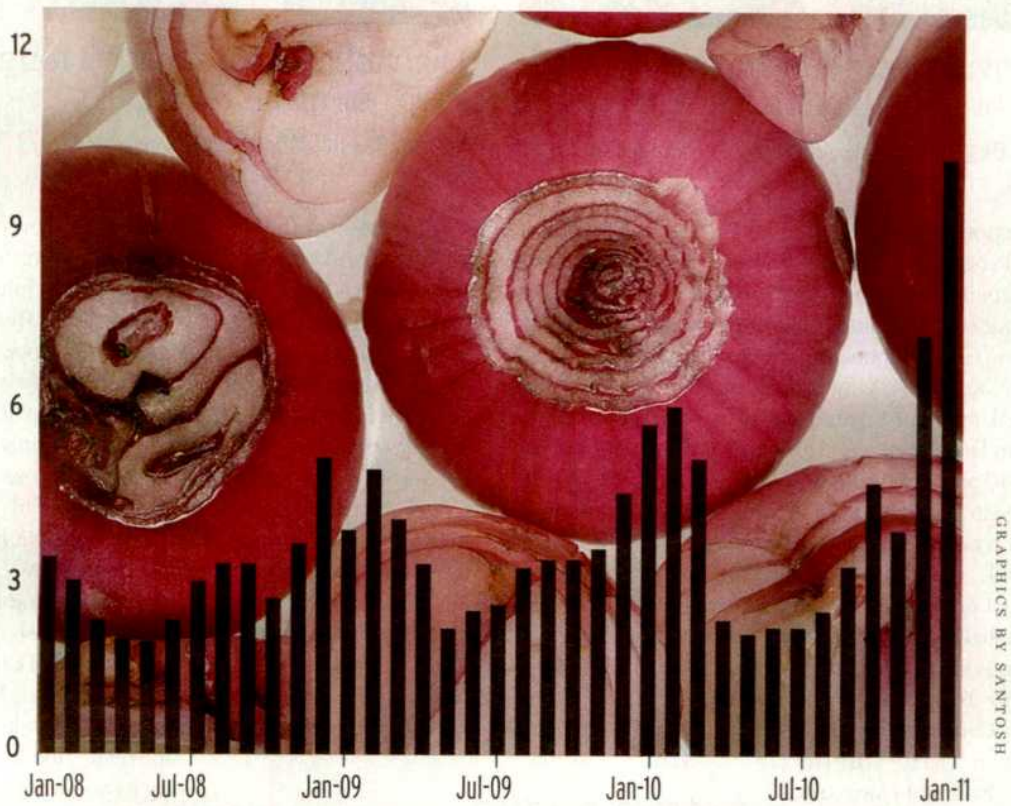
Work on the go
- Enterprise application on mobile platform (MATE)
- Remote access VPN

Collaboration enablers
- Video and Audio conferencing
- Voice over IP (VoIP)

To transform your business into an efficient and productive unit, write to us at **business@airtel.in** or **call 1800 102 4005** (toll free) from Mon-Fri between 9 am-6 pm

Crocodile Tears

That food prices have spiralled out of control over the last 15 months shows inflation was not a priority for the UPA government. BY PUJA MEHRA



GRAPHICS BY SANTOSH

Bars show difference in retail and wholesale prices of onions in ₹ per kg

Sources: CEIC, Standard Chartered Research

February 2010: *"We have taken, on the supply side, adequate measures, which will take some time to have a depressing impact on the rising prices of essential commodities"*
Finance Minister Pranab Mukherjee

April 2010: *"India's inflation rate may decline in two to three months"*
Deputy Chairman of the Planning Commission Montek Singh Ahluwalia

May 2010: *"We hope to get back to average inflation of about 5 per cent to 5.5 per cent by the end of 2010"*
Finance Secretary Ashok Chawla

June 2010: *"Reasonable rains this year will slow food-price inflation, which has remained above 15 per cent since November"*
Deputy Governor of the Reserve Bank of India Subir Gokarn

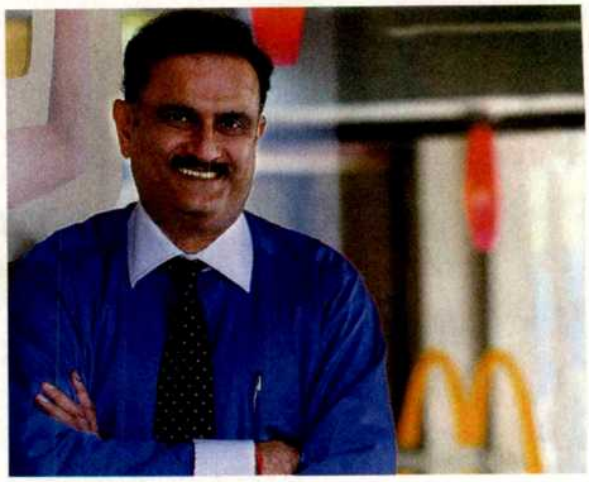
Independence Day: *"We are making every possible effort to tackle this problem [inflation]"*
Prime Minister Manmohan Singh

Last week of 2010: *Food inflation hit a 12-month high of 18.32 per cent.*

SHEKHAR GHOSH

We have not covered ourselves in glory over food management

Kaushik Basu, Chief Economic Adviser to Finance Minister



NISHIKANT GAMRE

High inflation has made it tough to keep our meals affordable

Vikram Bakshi, MD, McDonald's India

Action delayed is a call upon calamity. The United Progressive Alliance, or UPA, the Congress-led coalition at the Centre, would know. For almost a year and a half, the monster of inflation has been rearing its head, and various mandarins have been threatening to vanquish it. But the situation only worsened; prices of vegetables and fruit, which normally plunge in December, shot up so much that they contributed to 40 per cent of inflation.

It needn't have been so. Weather reports, estimates of the ministry of agriculture and common sense were screaming trouble a month earlier. "It bothers us [the Economic Advisory Council to the Prime Minister] that the government waited for so long to take corrective measures when we had raised an alarm on the basis of government data in November itself," says V.S. Vyas, Member of the Economic Advisory Council to Singh.

Worse, R.P. Gupta, Director, National Horticultural Research and Development Foundation or NHRDF, Nashik says he can smell a rat. "A loss of 30 to 40 per cent of the kharif onion crop should not trigger such a spike in prices," says Gupta. NHRDF, the country's premier research institution for onions, is helping the government in managing the crisis. It has estimated this year's (June 2010-May 2011) output at 130 lakh tonnes against 121 lakh tonnes last year.

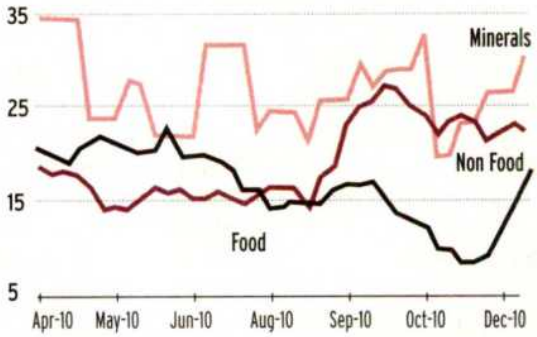
The onset of the New Year shook the government out of its stupor. Mukherjee wrote to chief ministers seeking a crackdown on hoarding. Pakistan sent in initial supplies but later banned exports of onions to India. By then much had been lost — including gains on the stock exchanges as the Sensex shed close to 5 per cent in early January. The drama was even more intense in the political theatre. "My state government's food subsidy bill has more than doubled from ₹70 crore in 2007 to ₹150 crore this year," Prem Kumar Dhumal, Chief Minister of Himachal Pradesh, told *Business Today*. The Opposition-ruled hill state is especially hit as it is a net consumer.

Business, too, is feeling the pinch. "Persistently high inflation has made it tough to keep our meals affordable," rues Vikram Bakshi, Managing Director, McDonald's India. The burger chain's costs are up 10 per cent. McDonald's fears that customers might reduce their intake of burgers and related foods; so it is holding its prices for now.

That's a choice small-time hawkers cannot make. In the bustling commercial district of Nariman Point in South Mumbai, for instance, prices of sandwiches are up 10-20 per cent and the ubiquitous *bhel puri* is now 25 per cent dearer than it was a few months ago.

The reason for these hikes is the sudden spike in vegetable prices. Prices of milk and eggs and meats have anyway been out of the

Food prices rise again, pulling up other prices as well



% year-on-year growth in inflation
Sources: CEIC, Standard Chartered Research

comfort zone for over a year with supply lagging growing demand (see *Proteins are Constant Sources of Inflation*). "There seems to be euphoria over the 4.5 per cent growth that is forecast for agriculture in 2010-11; but this is only a spike that the government cannot rely on for long-term food security," says Vyas. The truth is per capita food availability grew only one per cent over the last decade, while per capita income surged 5.5 per cent.

It is no secret that the insufficient produce is managed inefficiently. "We haven't covered ourselves in glory over food management," Kaushik Basu, Chief Economic Advisor to the Finance Minister had admitted in December 2010 at the Delhi School of Economics. According to Basu, the Food Corporation of India has created an oligopoly since it releases food grains through auctions of mega blocks of 1,000 metric tonnes (economic theory says fewer bulk sellers in a market drive prices up).

With the government's failure to take timely action against shortages of different food articles at various points, inflation has by now been, as Vyas says, "built into the general economy threatening economic growth". According to a research report from Standard Chartered Bank, seasonally-adjusted annualised core inflation rose to 10 per cent in November, four months after it had bottomed out, led by higher mineral prices.

Input price pressures are evident in expected price increases in 2011 over current levels: 12.5 per cent in coking coal, 8 per cent in iron ore and 10 per cent for steel. Transport costs are up too. Petrol prices — partially decontrolled by the UPA government in mid-2010 — are inching up and railway freight rates were jacked up by four per cent recently. According to the Indian Foundation of Transport Research & Training, truck rentals rose between 24 per cent and 40 per cent on truck routes through 2010.

With the government failing to quell inflation, the onus has been on the Reserve Bank of India, or RBI. The apex bank has hiked key policy rates six times since March 2010 to fight high prices. But the dilemma for RBI Governor D. Subbarao is that food inflation has breached 18 per cent at a time when the rate of growth of industrial output has been fluctuating wildly; it plunged to 2.7 per cent in November, an 18-month low.

The efficacy of monetary policy actions in addressing food price inflation without hurting growth has now become a subject of debate. "The standard view on food inflation is that monetary policy is a blunt instrument except to the extent that persistent food inflation fuels inflationary expectations and can get generalised," Subbarao had told *BT* in an interview in November 2010 while expressing hope government would address supply issues. "Fiscal year 2012 is also likely to be a tough year, with average WPI inflation expected to remain at a high level of 6.5 per cent. Inflation may once again surpass 7 per cent in the second half of fiscal 2012," according to the Stanchart report. The research arm of the bank has forecast policy rate hikes of more than 75 basis points in the next few quarters. Higher interest rates may not augur well for GDP growth.

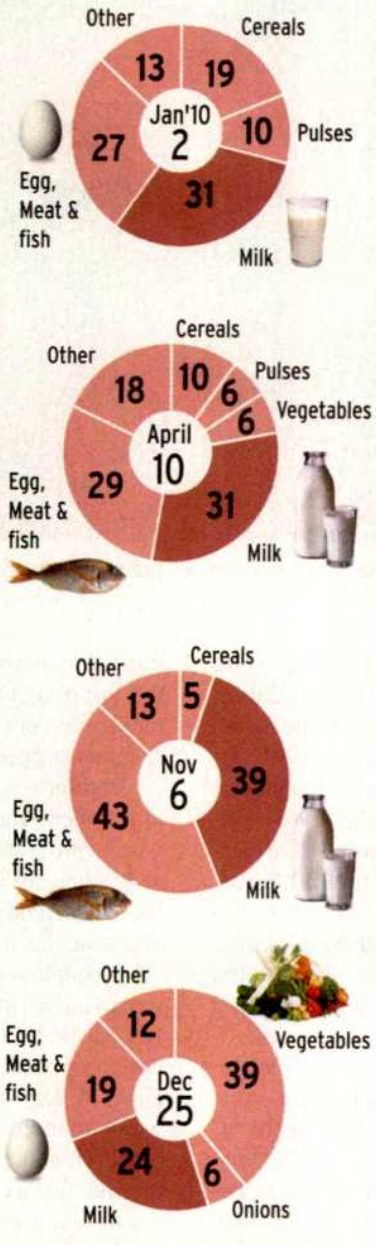
Making the outlook even dimmer are two new sources of inflation. Despite rising global crude prices — they stood at a little over $90 a barrel at the time of writing — the government is holding diesel prices. This is something it cannot do endlessly or the mounting oil subsidies will wreck the fiscal deficit (projected at 5.5 per cent of GDP in the current fiscal.)

More worryingly, global food price inflation is back. The Food Price Index of the Food and Agriculture Organisation of the United Nations hit a record high in December 2010. Countries like China, Vietnam and Brazil are all facing double-digit food inflation. India is not a major importer of most food items, yet high global prices can affect price sentiment here as supply shocks cannot be ruled out.

On January 11 and 12 the Prime Minister held emergency meetings on inflation. The meetings yielded no concrete solutions but, mercifully, no more hollow assurances were proffered. But that is cold comfort for the common man as inflation continues to deepen the hole in his pocket week after week. ◆

Proteins are constant sources of inflation

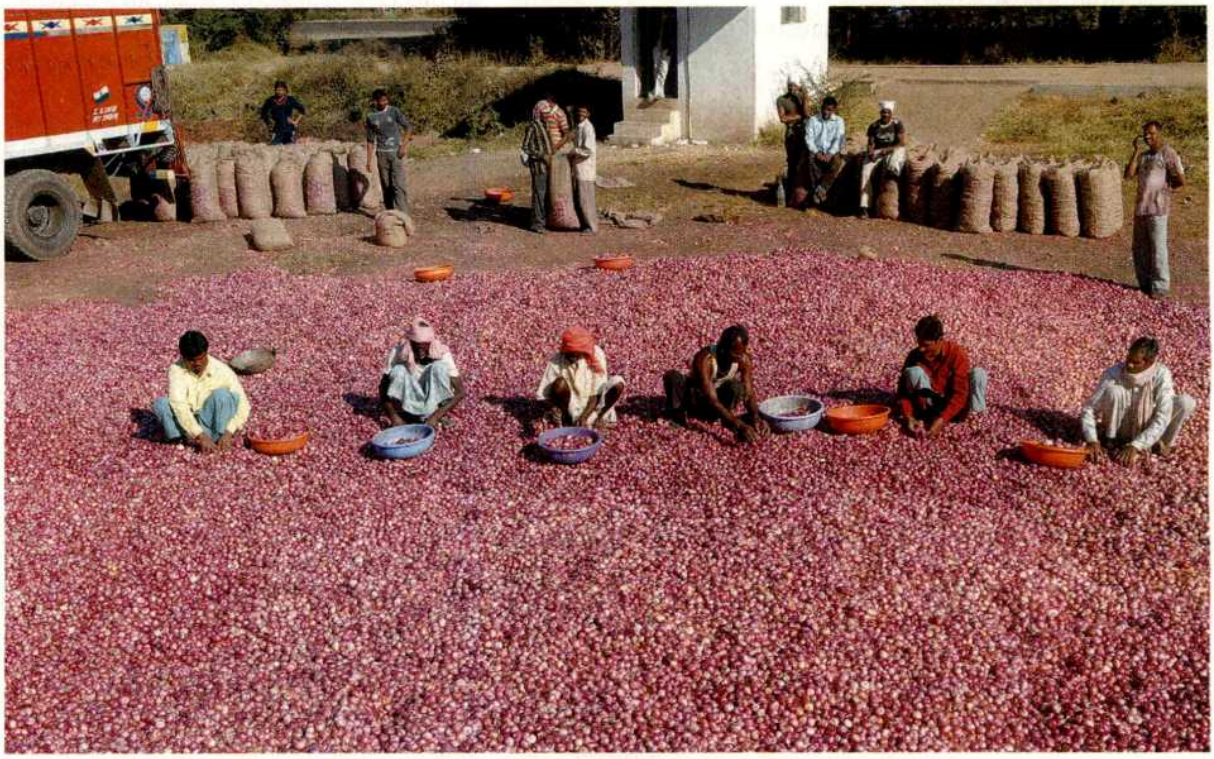
% contribution to food articles inflation



Sources: CEIC, Standard Chartered Research

Why is Lasalgaon Angry?

Asia's largest onion market is on the boil. BY N. MADHAVAN



UMESH GOSWAMI

Spot trouble: Workers sort onions purchased from farmers in Lasalgaon before shipment to various parts of the country

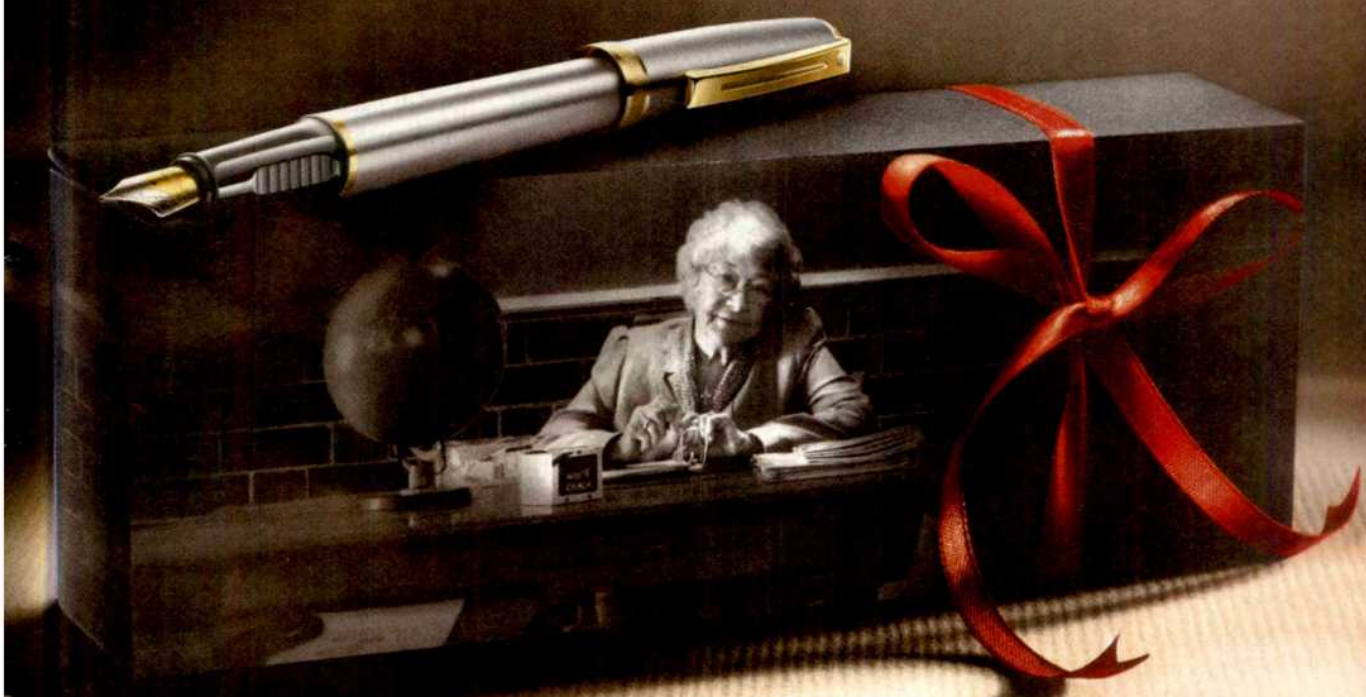
At first sight it resembles a large bus terminus. Rows of tree-lined bays greet visitors to the Shri Chhatrapati Maharaj Onion Market in Lasalgaon, some 44 km from Nashik in north-west Maharashtra. It is in these bays that around 50,000 quintals of onions are sold on good days, which apparently makes the market Asia's largest. The onions are sold in bulk by farmers who bring in their produce from in and around Nashik district, the country's largest onion growing region. The uniqueness of this market (and a few others in Nashik district) is that, unlike in other parts of the country, onions here are not sorted, packed and then sold; they are sold in trailer loads. Locals call these "open sales".

When the market closed for an extended weekend on December 17, none of the players in Lasalgaon's onion eco-system, including thousands of farmers, scores of traders and the consumers, had an inkling of what was in store for them the following week and after. On December 20, all hell broke loose. Daily arrivals suddenly plunged to just 2,000 quintals and prices in the market spurted to incredible highs. From ₹1,700 a week before, the cost of a quintal of onions now stood at ₹6,229. As retail onion prices flared up to over ₹80 per kg, the government stepped in.

High prices should be music to the ears of farmers and traders, right? Not quite. Lasalgaon is angry. This writer and photographer Umesh Goswami got a taste of it when we visited Lasalgaon. Barely into the market, over 50 farmers surrounded us and began hurling abuse at the media for making their lives miserable. "You people are responsible for this situation. Where were you when onion prices were ₹500 per quintal? Nobody talked of prices when we were struggling to recover our costs," they shouted in a mix of Marathi and Hindi. "Every one is talking of high prices but no one wants to mention that we have lost over half the crop and even at these high prices we will not make money," another farmer, who politely told us to leave, said. Others were not so nice. A few even threatened to beat us up. We made a hasty exit unscathed. We later learnt

How are you going to return all those little lessons she taught you?

Upbringing deserves a return gift. Make it a Sheaffer.



SHEAFFER

THE GIFT THAT MATTERS

Featured here, the Sheaffer Prelude in brushed chrome, with a 22k gold plate trim. A gift for all occasions.

WILLIAM PENN

THE WORLD PEN STORE

Mumbai: Grand Galleria, High Street Phoenix Ph: 40041252 | Inorbit Mall, Malad Ph: 28785818 | Inorbit Mall, Vashi Ph: 40131495 • **Bangalore:** The Forum Ph: 32721999 | Garuda Mall Ph: 41127993 | Koramangala Ph: 40535555 Mantri Square Mall Ph: 22667315 • **Chennai:** Express Avenue Mall Ph: 28464018 • **Delhi:** Select CITYWALK Ph: 40534512 • **Airport Stores:** Delhi | Mumbai | Hyderabad | Bangalore • **For corporate enquiries, call Bangalore: 09845987272 | Delhi: 09811471923 | Mumbai: 09167210170 | Hyderabad: 09963426632 | Kerala: 08129437383 Kolkata: 09830627408 | Chennai: 09962085085 • Shop Online** www.williampenn.net | info@williampenn.net

that a few other journalists were roughed up and their equipment broken.

Traders are angry, too. To protest against raids by government departments (income tax, civil supplies and others), they had shut down the Lasalgaon market on January 10, further complicating an already fragile demand-supply scenario. Along with the raids, which were an attempt to unearth instances of hoarding, what has also incensed traders is a directive by the Maharashtra government to sell the commodity at not more than ₹40 per kg. "Where is the question of hoarding? Onions that we get in winter have high moisture content and they sprout in a couple of days. Those who store up will only lose money," argues Purushotham Chothani, a local trader.

UMESH GOSWAMI

I normally harvest 700 quintals from my two acres. This time all I could manage was 300 quintals.

Gopinath Ramnath Lokhande, Farmer, Chitegaon Phata

The common man in Lasalgaon, which has a population of 25,000, and elsewhere in Nashik district is helpless. When prices are unreasonable, the only option is to cut down consumption. "I usually buy two kg of onions every week but now my family manages with just a kilo," says Nitin Gokhale, a schoolteacher. Ajit Dongre, who runs a small eatery near the town's police station, has also cut down his onion usage and instead increased cabbage consumption. "The taste more or less remains the same," he says with a wink.

Unseasonal rain during November destroyed the kharif onion crop across the country and more particularly in Maharashtra. "My estimate is that about 40 per cent of the crop, which was ready for harvest, was destroyed," explains R.P. Gupta, Director, National Horticultural Research & Development Foundation, which has been engaged in onion research since 1977. This roughly works out to about 11 lakh tonnes across the country. All-India output of onion this year (June '10-May '11) is estimated at 130 lakh tonnes. "Of the three onion seasons (kharif, late kharif and rabi), the kharif crop is very crucial as it affects demand-supply significantly," adds Gupta.

Gopinath Ramnath Lokhande, a farmer in Chitegaon Phata — a village along the Nashik-Aurangabad highway — lost over half of his onion crop. "I normally harvest 700 quintals from my two acres. This time all I could manage was 300 quintals. A few other farmers, too, put their loss at similar levels."

The government's responses to the crisis, such as raising the minimum export price, banning export of onions, importing the commodity and action against possible hoarding, have not had the desired effect. They have only led to price volatility, say onion stakeholders in Lasalgaon. "Both farmers and traders are losing money due to this volatility," says Nitin Jain, a trader. "Many think we are all making money. That is not the case," he adds. He like most others in the town sees the problem as one of a demand-supply mismatch. There could be some stray cases of hoarding but prices will reduce only after fresh arrivals begin and volumes pick up, he adds. Gupta disagrees on the hoarding part. The fundamentals do not justify such a sharp hike, he says. Between late December and now the arrivals at Lasalgaon market have remained more or less the same but the price has dropped by at least ₹2,000 to ₹3,000 per quintal. This is clear evidence that all was not well in the market then, he points out.

When will the prices ease? Once the late kharif crop begins to hit the market some time by January end, says Balasheb Kshirsagar, Vice Chairman, Agricultural Produce Market Committee, or APMC, at Lasalgaon. "I am already seeing a trend of an increase in arrivals and by the end of this month (January) prices would stabilise at lower levels," he adds.

Others in the town see a simple and effective way to bring down prices. "If you media people forget about onion prices for 10 days, everything will become normal," a few traders told us as we prepared to leave Lasalgaon. ◆

SIX YEARS OF INSTITUTIONAL EXCELLENCE

Ranked as India's BEST, Strongest and Fastest Growing Mid-Sized Bank by the Business Today - KPMG Best Banks Survey 2010

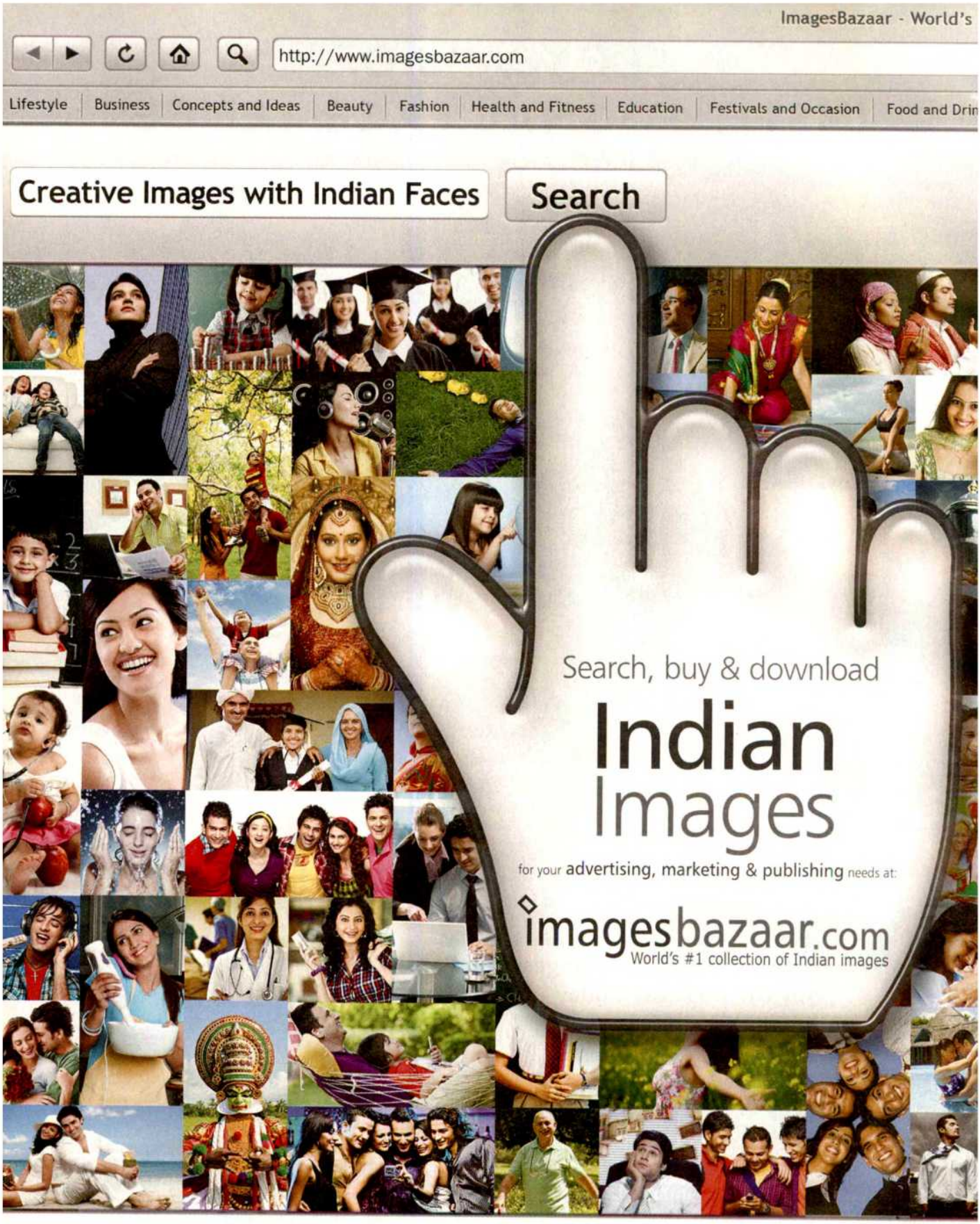
Since inception in 2004, YES BANK has created a new paradigm in Indian Banking, through continuous Innovation and Excellence. On our 6th Anniversary, as a full-service commercial and retail Bank, we re-dedicate ourselves towards delivering the Finest Banking Experience in India.

185 Branches Pan India | 225+ ATMs | 2 National Operating Centres

YES BANK

EXPERIENCE OUR EXPERTISE

Corporate and Registered Office: Nehru Centre, 9th Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai-400018. India. www.yesbank.in



ImagesBazaar provides a one of its kind online resource for searching, purchasing
ImagesBazaar is the World's largest collection of creative images with Indian faces
images for their **advertising, marketing and publishing** needs. Log on to

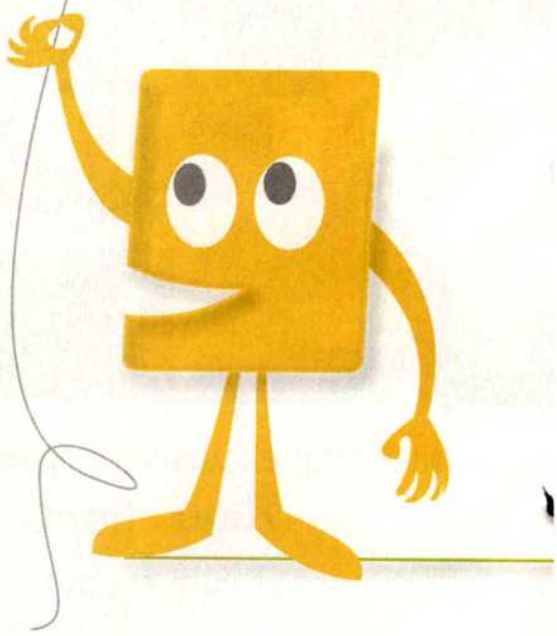
All India Toll Free No.: 1800-11-6869 | Mumbai: 93202-66666 | Delhi: 99113-66666 | Bengaluru: 93420-6666

ollection of Indian images
ian Culture
Nature
Rural India
Sports andL eisure
Technology
Vacations and Holidays
Shopping and Retail
Illustrations
Usage of Images
Brochures
Catalogs
Posters
Mailers
Stickers
Displays
Websites
Billboards
Hoardings
Calendars
Postcards
Packaging
Pamphlets
Multimedia
Magazines
Newspapers
Presentations
Advertisements
I Love my India
nd downloading exclusive Indian images. With over 900,000 images,
present, over 7000 clients in more than 45 countries are using our
ww imagesbazaar.com today!
ennai: 93400-66666
Kolkata: 93399-66666
Cochin: 93885-66666
Hyderabad: 93488-66666
Ahmedabad: 93761-66666

BEST COMPANIES TO Work FOR

Employees see themselves as brands, make hard choices and want work-life integration. This and more in the 10th *BT* best employers study.

BY SAUMYA BHATTACHARYA



When you have perceptions from a data set that covers over 3,500 companies and represents the voice of close to 9,000 employees, it is easy to make blanket statements on trends. It would be chimerical to do that in a market as dynamic as India. But with hirers ready to flood the jobs landscape and the Indian employee wiser from the tough job market of the last two years, *Business Today* in its tenth annual edition of *Best Companies to Work For* uncovers new facets of talent management in a continuum called the Indian workplace.

25 The Toppers 2010

Rank	Company	Index score
1	Infosys Technologies	100
2	TCS	89
3	Google	69
4	IBM	68
5	Wipro	61
6	Microsoft	55
7	Accenture	52
8	L&T	49
9	ICICI Bank	46
10	Airtel	44
11	HCL Technologies	43
12	Tata Motors	41
13	HUL	40
13	ONGC	40
15	SBI	39
16	Reliance Industries	38
17	HDFC Bank	34
17	Tata Steel	34
19	Cognizant	33
20	BHEL	32
20	HSBC	32
20	ITC	32
20	NTPC	32
24	HP	31
24	Oracle	31

Previous Years' Top Employers

2001
1 Infosys
2 P&G
3 HP
4 ICICI
5 Hughes Software

2002
1 Infosys
2 P&G
3 HP
4 SmithKline Beecham Consumer Healthcare
5 Satyam

2003
1 P&G
2 American Express
3 NTPC
4 J&J
5 GlaxoSmithKline

2004
Sasken
Infosys
Thermax
HCL Comnet
HDFC

2005
1 Infosys
2 Sasken
3 Genpact
4 HCL Comnet
5 NTPC

2006
1 Infosys
2 MindTree Consulting
3 Satyam
4 Dr Reddy's Labs
5 Sapient

2007
1 Microsoft India
2 MindTree Consulting
3 J&J
4 Sapient
5 Infosys

2008
1 Microsoft India
2 iGate Global Solutions
3 HCL Infosystems
4 HSBC
5 Marriott Hotels India

2009
Infosys
Google India
TCS
IBM
Microsoft India

To be read in the context of record attrition levels predicted for 2011, the survey makes for relevant, if not critical, reading for almost anyone in India: workers, managers, HR chiefs, CEOs, businessmen.... And, even for spouses, parents and children because, for the first time, there are strong signals from the workplace that the life part of the work-life balance, acknowledged cursorily until now, is increasingly becoming a deciding factor in jobs.

Dive straight in. Will you work for a company that you have not even heard about? Code writer Shireen Fathima did not think she would but has done exactly that. Until July 2010, Fathima, 28, was working with a brand that is as big as it can get — Infosys Technologies, the No. 1 company in this year's *Best Companies to Work For* ranking. After six years and three months at Infosys, Fathima decided to move on, but not to another workplace teeming with thousands and thousands of employees. Soon, she zeroed in on a workplace of her choice: a small company closer to her home and one that gives her more exposure.

"I had not even heard of my current employer," says Fathima. She is a Technical Lead at Marlabs Software, an information technology solutions firm with revenues of $100 million and 1,800 employees globally, including 1,000 in India. "I have discovered a huge comfort factor in a smaller set-up. Everybody acknowledges your work and I feel my worth for the credit I get," she says. Compare this with some 128,000 employees at India's second-largest IT company by revenues. "At Infosys you can get lost. Brand mattered in the beginning, but not any more," she concludes.

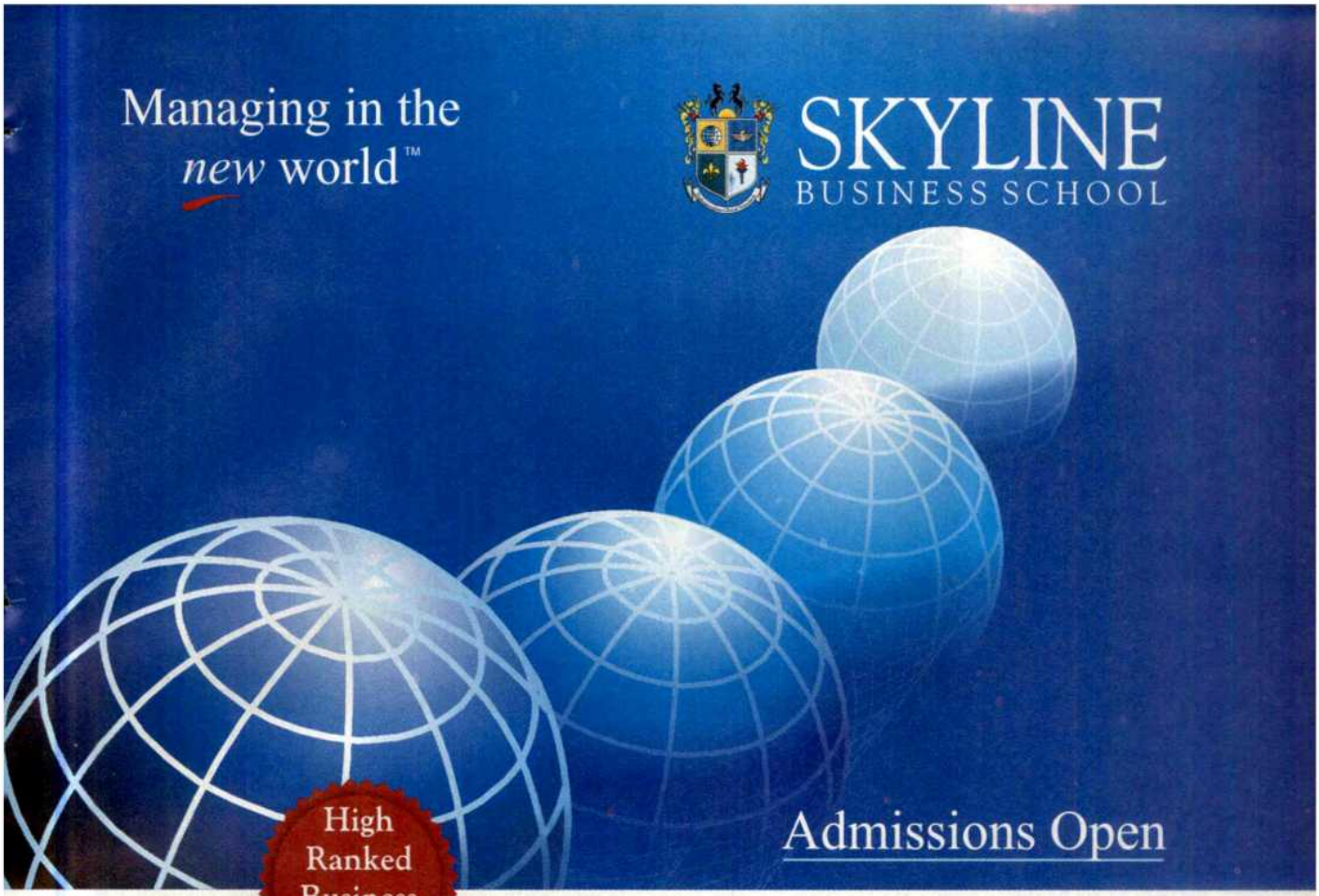
Brave New World

Fathima is part of a growing group of people we came across while meeting employees for the BT-Indicus-PeopleStrong Survey of *Best Companies to Work For.* This group is conscious and mindful of "Brand Self", as a talent watcher puts it. Employees are overwhelmingly focused on their own careers. "My career is my business," goes the reasoning. "You may be a great employer, but if you are not making my career grow, I leave."

In the survey, 75 per cent of the respondents said they

DEEPAK G PAWAR

Shireen Fathima left Infosys to join a company whose name she had not even heard of. She says she found comfort with a smaller set-up



- Category A++ by Business India in 2010 (up from A+ in 2009)
- All India Rank 71 by Business World 2010 Survey with
  -No. 11 in Industry Interaction
  -No. 27 in Students' Ranking
  -No. 29 in Pedagogy
- All India 49 by Careers 360 (an Outlook group magazine) in 2010 Survey
  -No. 9 In North India
- All India 63 by MBA Universe.com in 2010
- All India 68 by The Week MaRS 2010 Survey
- All India 70 by Outlook MDRA 2010 Survey
- CRISIL Gradings:
  -National level A grade
  -State level A++ grade

MBA · BBA

International Business • Retail Operations
Tourism • Human Resource Management
Marketing • Finance • Banking

With every major political, social, economic and technological change, globalization brings about a change in every part of the world. A new world is formed. A world in which, the past is no longer an indicator of the future. As such, we expect that business executives will find themselves operating in a number of new worlds in their professional life. At Skyline, our objective is to prepare our students to excel in every new world they find themselves in.

Faculty with professional experience | Focus on soft skills
Extensive Library and research resource
Close interaction with industry | Use of multiple learning tools

Study at
SKYLINE UNIVERSITY COLLEGE
Dubai / Sharjah

SKYLINE BUSINESS SCHOOL
Established 1996

Delhi Campus: Hauz Khas Enclave, New Delhi-110016
Tel. : 011-2686 4848, 2686 6968 Call/SMS@Mobile 9810005021
Gurgaon Campus: 22, Institutional Area, Sector 44, Gurgaon-122003
Tel. : 0124-4361707, 4361708, 4361709 Call/SMS@Mobile 9810877385
Dubai Campus (Associate): Tel. : 009716 5441155 email : admissions@skylineuniversity.com

www.skylinecollege.com | info@skylinecollege.com

Pallavi Aron of the Class of 2011 at MDI, Gurgaon, with a classmate. Pallavi says her dream employer is P&G for its work-life integration initiatives

SAPTARSHI BISWAS

will leave an organisation if they feel their career is not growing. Ganesh Shermon, who heads the People & Change Practice at KPMG, has an explanation for this phenomenon. In place of the larger-than-life institutions earlier, it is the individual who has taken centre stage. His take: Social media have given people an identity. An employee can stand up, disagree and be listened to. "Companies are telling the employee that he is the brand and these employees in turn help build the employer brand of the company," says Shermon.

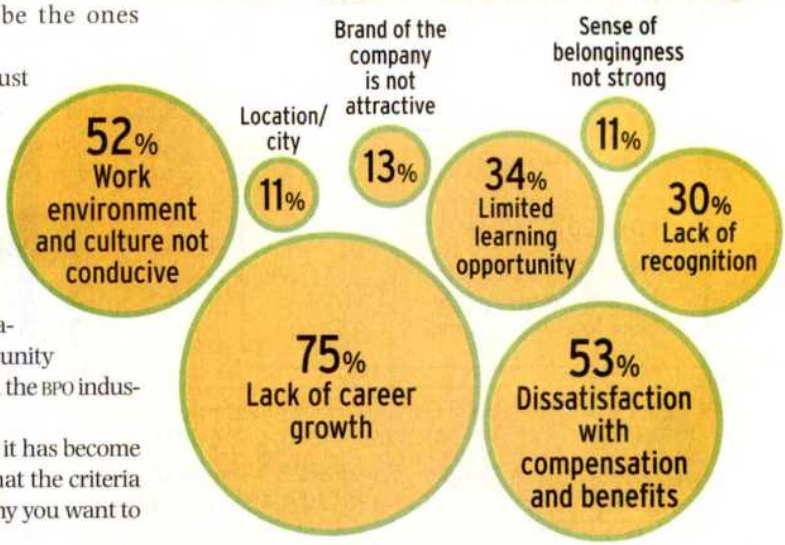
Cigarettes and personal care products company ITC vouches for the trend, as the organised workforce expands at a fast clip. "This is because the young managers focus on their own career rather than feeling a sense of belonging to the organisation," says Anand Nayak, Executive Vice President, Corporate HR at ITC, who has spent 38 years at the Kolkata-based firm. People build careers and not institutions. That is today's reality. Companies that can recognise this trend and ride it will be the ones that will be better off.

The phenomenon is not restricted to just youngsters. Keshav Murugesh, Group CEO at WNS, a business process outsourcing company, has now been working for close to 25 years. While HR pundits tell you that your expectations change as you progress in your career, Murugesh, 47, insists that they have not changed for him. He still looks for a high value brand, a learning organisation, a high growth industry, and the opportunity to stand out. Almost all the 20-somethings in the BPO industry will identify with his wish-list.

CEO hirings were always a tough ask but it has become even more difficult in recent times. "I feel that the criteria for choosing who you want to work with, why you want to change a job, and even why you stay in a job have changed completely in the past 12 to 18 months," says headhunter R. Suresh. These days the managing director of Stanton Chase, an executive search specialist, gets asked tough questions — often around corporate governance. A potential CEO candidate, recounts Suresh, asked whether the unlisted entity that was wooing him had cash on its balance sheet and even wanted to take a look at its bank statements. In another instance, there were queries around how a company works on government deals. And, there is always the question of who the boss is. "People want to work with quality leadership," Suresh says.

Bosses themselves want to make sure that all risks are counted. Almost all CEO appointments today come with

What triggers a search for change?



State Bank of India
THE BANKER TO EVERY INDIAN

THEY CAN SET UP A THRIVING BUSINESS IN ANY FOREIGN LAND. WE PROVIDE BACK-UP.

The Indian entrepreneur has made the world his backyard – so wherever he lands, his business acumen and skills lead him to success. He overcomes language barriers, the foreign environment and local competition. SBI, with its 151 branches in 32 countries, stands ready to meet every financial need of the people who make us all proud.

INTER-PUBLICITY/SBI/ENG-01/10-11

PROUD TO BE INDIAN

Visit us at www.statebankofindia.com | Call toll free 1800-11-22-11

watertight agreements on how they will be taken care of if things do not go according to plan. "Today severance is talked about more than compensation," says Suresh.

The preference for Indian companies as favoured employers has gone up substantially in this year's survey (it was limited only to people already employed, not students or those not working). Employees, in other words, prefer to be closer to the power centre rather than work for a unit of a multinational corporation. That explains why in the overall rankings, 16 of the top 25 companies, or 64 per cent, are Indian. Compare this with the profile of the respondents: one-third were from multinationals, 40 per cent from the Indian private sector and 14 per cent from public sector units.

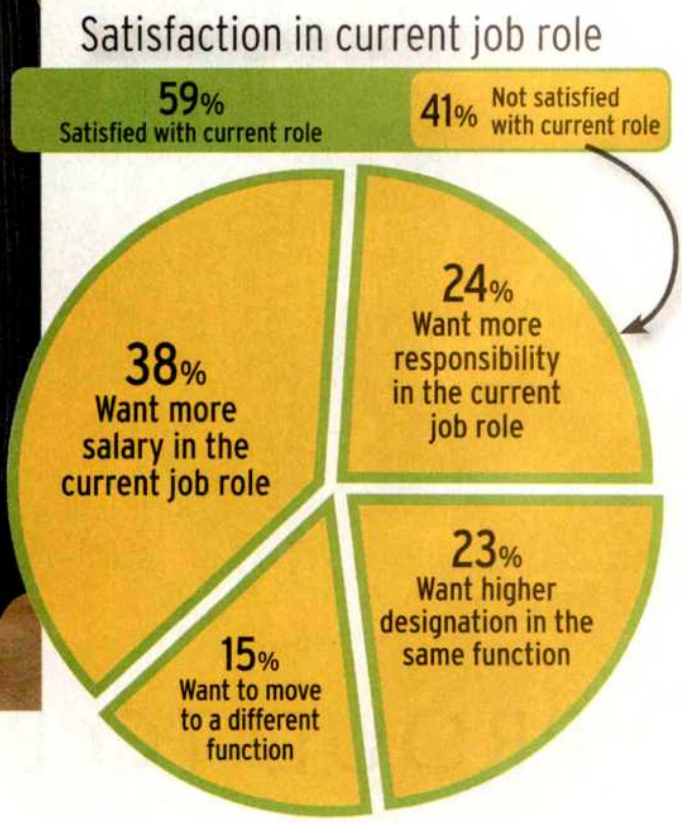
Employees, regardless of the sectors they were working in, ranked Infosys and Tata Consultancy Services as the top two companies — the MNC employees ranked Infosys and TCS ahead of Google and IBM (ranked No. 3 and No. 4, respectively). "People want the destiny of their company to be decided by what happens in India and not by the destiny of their parents abroad," says Govind Iyer, Partner, Egon Zehnder India, an executive search firm. So, even companies that have a long history in India are in demand. A case in point: middle-level managers opt for safe and secure options such as Hindustan Unilever Ltd, or HUL. This, says Asim Handa, Country Manager of FutureStep, a Korn/Ferry company, is because during the year-and-a-half-long slowdown companies like HUL stayed steady.

Slice the data some more and another employee preference emerges: a strong convergence of corporate and employer brands. Larsen & Toubro, HCL Technologies, ICICI Bank and Accenture are cases in point. Each has risen sharply in our rankings this year. HCL had figured out its "Employee First" mojo much before others. ICICI Bank had built a strong image of executive leadership and diversity. L&T has enjoyed iconic status for decades. "Non-technology people like to work for L&T and so do those in technology," says Shermon.

And, what about the corporate brands that may not be strong or even desirable in terms of image? Like Mahindra Satyam that in its earlier avatar Satyam Computer Services almost did not survive? Says Hari Thalapalli, Chief Marketing Officer and Chief People Officer at Mahindra Satyam, "The workforce is far more mature than organisations give them credit for. Only organisations that are capable of catering to the changing aspirations of their employees will survive tomorrow." But do they need to hardsell them-

Expectations may not change through your career. At 47, WNS CEO Keshav Murugesh wants what a 20-something would want from an employer

UMESH GOSWAMI



©2011 Accenture. All rights reserved.

Opportunity doesn't always arrive gift wrapped.

Some thoughts on unlocking potential in today's environment: 1. Innovation is essential, especially if it's disciplined and focused on business outcomes; 2. Out-thinking the competition is useless unless you can out-execute them as well; and 3. This is no time for trial and error; winners get it right the first time. Talk to us to see how we can help you turn potential into tangible performance.

• Consulting • Technology • Outsourcing

accenture

High performance. Delivered.

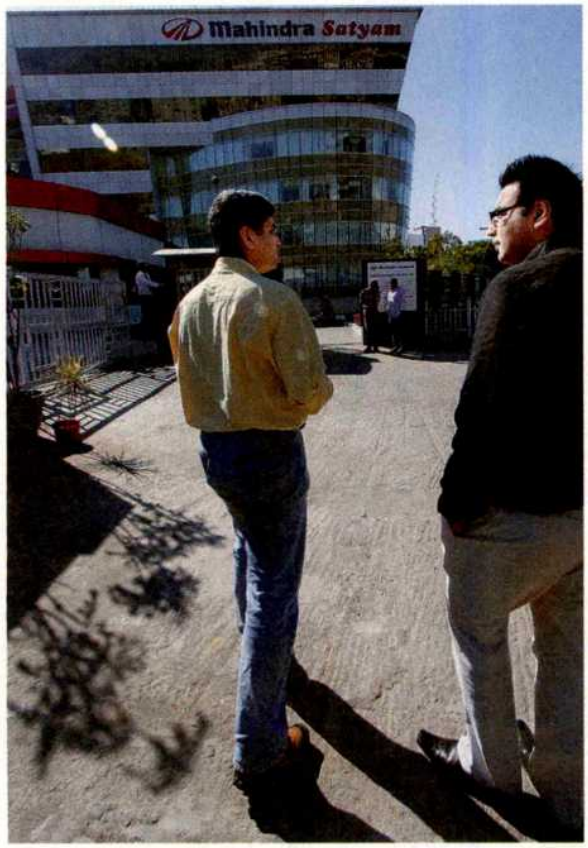
Relationship with the immediate boss

Rounded-off figures may not add up to 100

selves to potential employees? Hardly. "There is no reminiscence of a crisis at present," says Thalapalli.

Mahindra Satyam has been hiring more than 600 employees a month for about six months now. One of them, Rajesh Kataria, 30, is an Assistant General Manager in the sales team at Hyderabad. He joined the company in May 2010, immediately after completing an executive management programme from IIM Bangalore. He already had seven years of work experience, including six at Accenture in Bangalore. What attracted Kataria to Mahindra Satyam was the fact that he could be a part of its turnaround story. "Since they had lost people, it seems logical that they will give you more responsibilities," Kataria says. Again, an example of an employee knowing where he is headed.

Ramesh Ramakrishnan, left, and Rajesh Kataria, both at Mahindra Satyam. Kataria says he wanted to be a part of Satyam's turnaround



A. PRABHAKAR RAO

The Future

What are you likely to hear next year? BT went to the Management Development Institute, or MDI, Gurgaon, and asked a group of students from the Class of 2011 this very question. These students will be among the thousands who will be joining the job market in a couple of months. Pallavi Aron, a student at MDI, says her dream company is Procter & Gamble, the personal care products giant. "Not just is it a big brand, it also offers work-life balance," says Aron, 25. This finds resonance in the survey findings where work-life balance emerged as the second most important priority for the respondents after performance appraisal.

Godrej, Marico and Airtel are the domestic favourites among students, with TAS, formerly Tata Administrative Services, as the most preferred choice any given day. Neither the telecom spectrum scandal nor the burning Nanos have changed the perception of students about Tata, it seems.

The HR head at IBM India, Chandrasekhar Sripada, sees signs of a maturing job market where employees know exactly what they want and will pursue those goals. "As the labour market matures, we may have a shift in mindset that favours working for an L&T and not an Infosys," he says. That, in fact, has already started to happen (see *The Climbers' Club* on pg 54). On Fathima, who quit Infosys to join a virtually unknown company, Sripada says, "For every employee like her, I have two who like scale, processes and brand. In a fair labour market, it all boils down to perception and needs."

So, what is the perception of employer brands in the eyes of the Indian employee? Our cover package should tell you that. ◆

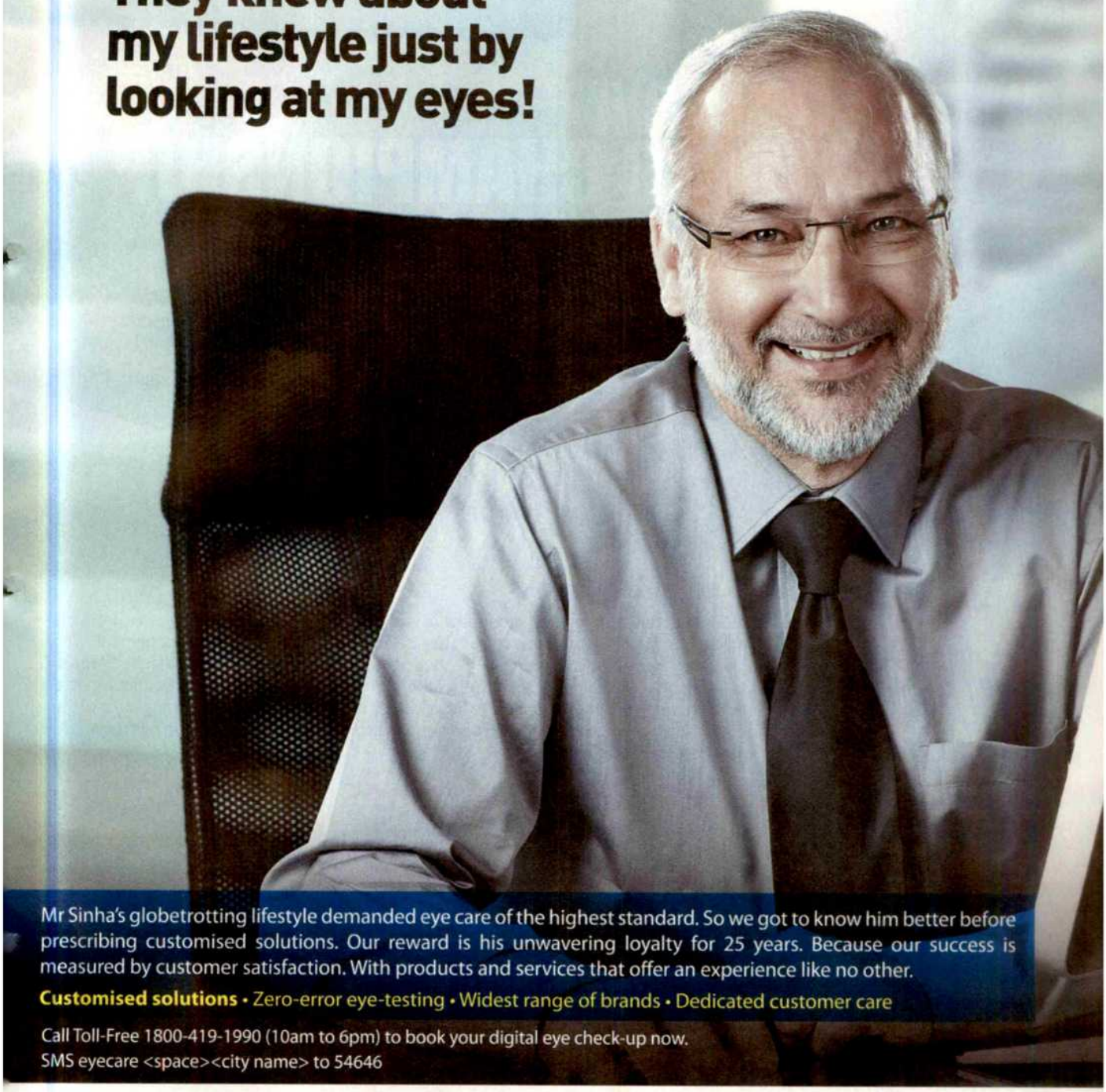
www.gkboptical.com

GKB Opticals

Total eye care destination

Since 1959

They knew about my lifestyle just by looking at my eyes!



Mr Sinha's globetrotting lifestyle demanded eye care of the highest standard. So we got to know him better before prescribing customised solutions. Our reward is his unwavering loyalty for 25 years. Because our success is measured by customer satisfaction. With products and services that offer an experience like no other.

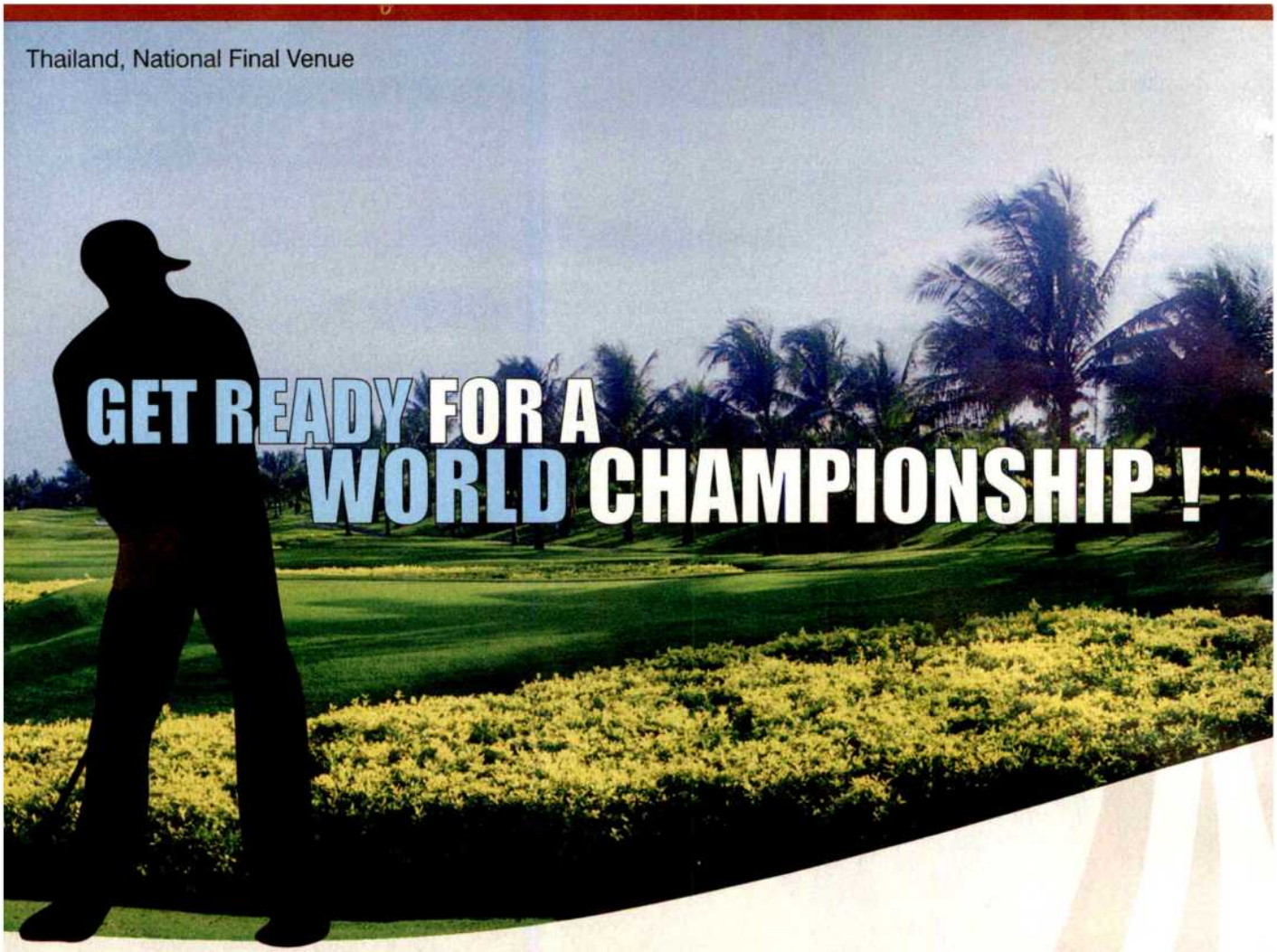
Customised solutions • Zero-error eye-testing • Widest range of brands • Dedicated customer care

Call Toll-Free 1800-419-1990 (10am to 6pm) to book your digital eye check-up now.
SMS eyecare <space><city name> to 54646

AHMEDABAD C.G. Road | Iscon Mega Mall • **AMRITSAR** Celebration Mall • **AURANGABAD** Nirala Bazar • **BANGALORE** Basavanagudi Indiranagar | Infantry Road | Jayanagar | Koramangala | Malleswaram | MG Road • **CHENNAI** Adyar | Alwarpet | Annanagar | Express Avenue Mall | Mylapore | Nungambakkam | T Nagar | Valsarvakkam | Velachery • **COIMBATORE** DB Road • **DELHI** Saket (DLF Place) **GURGAON** DLF City Centre • **HYDERABAD** Banjara Hills | Himayatnagar | Jubilee Hills • **JAIPUR** City Pulse Mall | MI Road • **KOLKATA** City Centre (Salt Lake) | City Centre (New Town) | Forum | Gariahat | Gurusaday Road | Hiland Park (Metropolis Mall) | Joramandir | Park Street | Rajdanga | Rashbehari Avenue | Salt Lake | South City Mall • **MUMBAI** Atria Mall | Colaba | Dadar TT | Santacruz (W) | Vashi Sec-17 • **PUNE**: MG Road | Kalyaninagar • **MYSORE** Devraj Urs Rd • **NOIDA** TGIP • **PUDUCHERRY** Mission St • **RAIPUR** City Mall 36 **RAJKOT** Grand Central Mall • **SILIGURI** Cosmos Mega Mall • **SURAT** Iscon Prozone Mall • **VADODARA** Centre Square Mall | Race Course Road • **VIZAG** Dondarparthi

Rediffusion-Y&R/Kol/GKB/0087

Thailand, National Final Venue



TAKE
Enabling Business Efficiencies

ABOUT TAKE SOLUTIONS

TAKE Solutions is a leading international business technology company with products backed by a strong domain expertise in Life Sciences and Supply Chain Management. With extensive technology expertise in Business Intelligence and Business Process Management, TAKE's track record in delivering world-class solutions throughout global markets is well proven. Technological innovations have always been the driving force of the company, which in turn helps TAKE's customers achieve consistent growth in business.
www.takesolutions.com

NATIONAL FINAL PARTNERS

amazing THAILAND
Always Amazes You
www.tourismthailand.org

lebua
HOTELS & RESORTS

Supported by

Believe in THAILAND
Thailand Convention & Exhibition Bureau

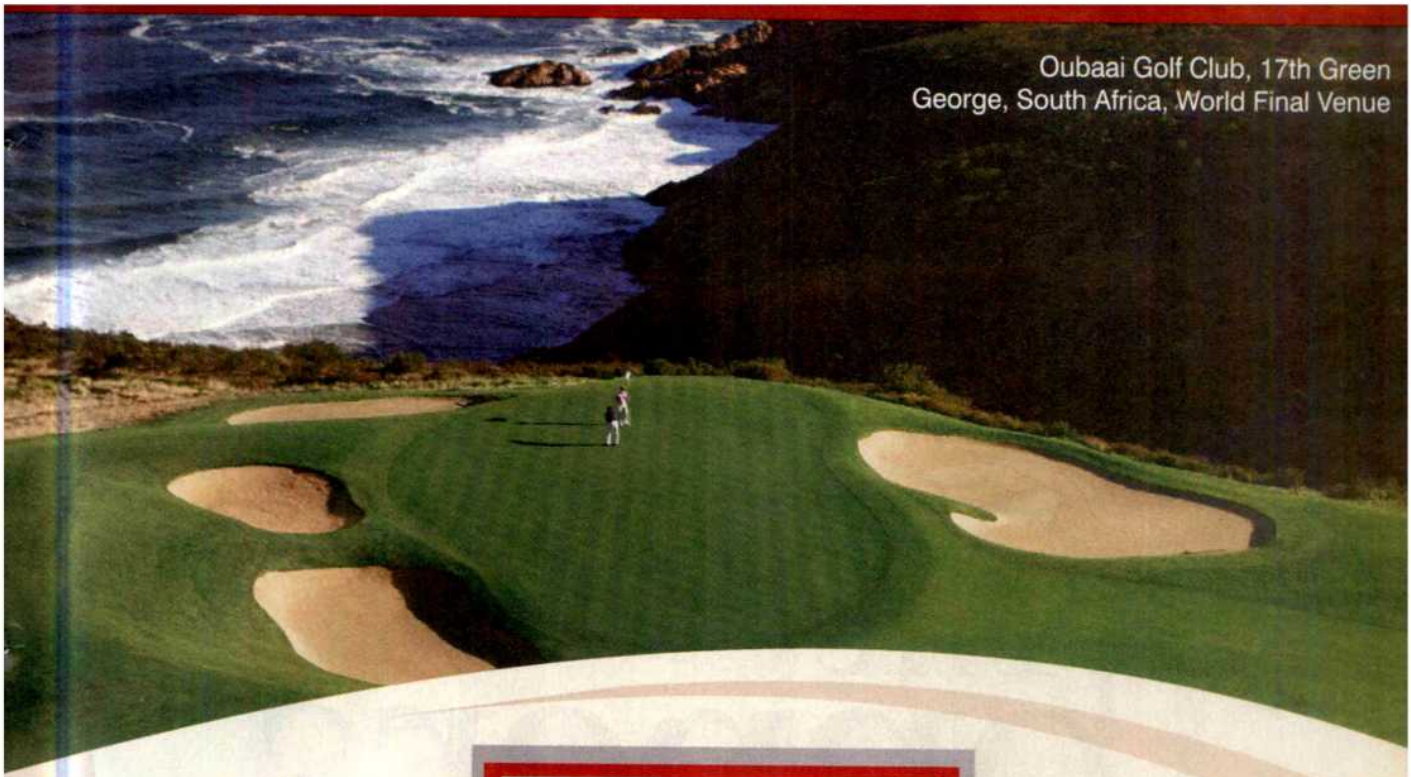
THE WORLD CORPORATE GOLF CHALLENGE

The TAKE Solutions World Corporate Golf Challenge gives Indian corporate teams a unique opportunity to represent their country in the only annual World Golf Championship. This year's regional tournaments are being held in Kodaikanal, Mumbai, Bangalore and Delhi with a National Final at Thailand contested by the winning teams from each city. The World Final will be held at the Ernie Els designed Oubaai Golf Club in George, South Africa. India started participating in it since 1999 and TAKE Solutions has been the proud sponsor of this prestigious event since 2005.
www.takesolutionswcgc.com

TOURNAMENT SCHEDULE

Chennai	Wed, Dec 29, Kodaikanal Golf Club, Kodaikanal
Mumbai	Sat - Sun, Jan 8 – 9, Aamby Valley Golf Resort, Lonavala
Bangalore	Fri - Sat, Feb 4 – 5, Eagleton Golf Resort, Bangalore
Delhi	Fri - Sat, Feb 18 – 19, Jaypee Greens Golf Resort, Greater Noida
National Final	Mon - Tue, Apr 4 – 5, Thailand
World Final	Tue – Sun, May 3 – 8, Cape Town, South Africa

Promoted by Rishi Narain Golf Management | www.rishinaraingolf.com | Email us at seema@rngolf.in



Oubaai Golf Club, 17th Green
George, South Africa, World Final Venue

TAKE
Enabling Business Efficiencies

WORLD CORPORATE GOLF CHALLENGE
INDIA

Presented by

INDIAN TERRAIN

In Association with

Ballantine's
LONG DRIVE CHALLENGE

Emirates

Shriram Properties
www.shriramproperties.com

Print Partner

Golf Digest India

Promoted by

Golf Management RN Rishi Narain

WORLD CORPORATE GOLF CHALLENGE
Official qualifier for the World Corporate Golf Challenge

Entry by Invitation Only

The Toppers

A perfect workplace is a mirage alright. But some firms have people practices that are spot-on, mostly. BY RAHUL SACHITANAND, KUSHAN MITRA and T.V. MAHALINGAM

You can't be a seasonal best employer," says Pratik Kumar, Wipro's global HR Head. *Business Today's* study of *Best Companies to Work For* certainly reflects this. Seven of our top 10 companies from the 2010 listing have made it to the list of top ten for the second time since we overhauled the methodology of the survey last year. Not just the flavour of one season, some of these companies are winning over employees with their people practices.

There is, however, no such thing as a perfect workplace. All the companies — barring Microsoft that declined to be interviewed for this story — that have made a re-appearance in our ranking talk candidly about the challenges they face. But each has a unique chemistry at work that makes it a remarkable workplace for large numbers of employees.

Shooting straight to the top for the second consecutive year is Infosys Technologies despite the rollout of a contentious skill enhancement tool (it features for the seventh time in the ten surveys we have done since 2001). Says T.V. Mohandas Pai, the man who runs HR at the Bangalore-based company, "We promoted over 8,000 people, the largest number in Infosys's history, but we also lost some 2,000 people because we did not effectively communicate our plans."

Infosys started the year poorly with its iRace competency development tool getting panned — and, according to several people, almost scrapped — because it increased the number of years between promotions. Among the most contentious moves that coincided with iRace was a mandatory clocking in of 9.5 hours a day in office and counting as leave the day an employee did not. The powers of reporting managers to waive such terms were also curtailed.

In fact, the company saw employee angst at the worst immediately after the 2009 *Best Companies to Work For* list was published. Messages on the company's intranet sharply complained about the ranking taking little cognisance of the fact that the exercise was a perception-based survey of workers across India. Even today, Infosys is still going through the pain from a year ago: in the three months to

With the job market showing signs of only heating up further, the top decks at companies are busy ensuring that people, not business alone, get their attention

Infosys

No. of employees	127,779
Avg increment last year	14%
Rate of attrition	17.5%
Male, Female employee ratio	70:30

Seven of the top 10 in this year's listing come from the information technology business and few are surprised. On top for the second consecutive year is Infosys

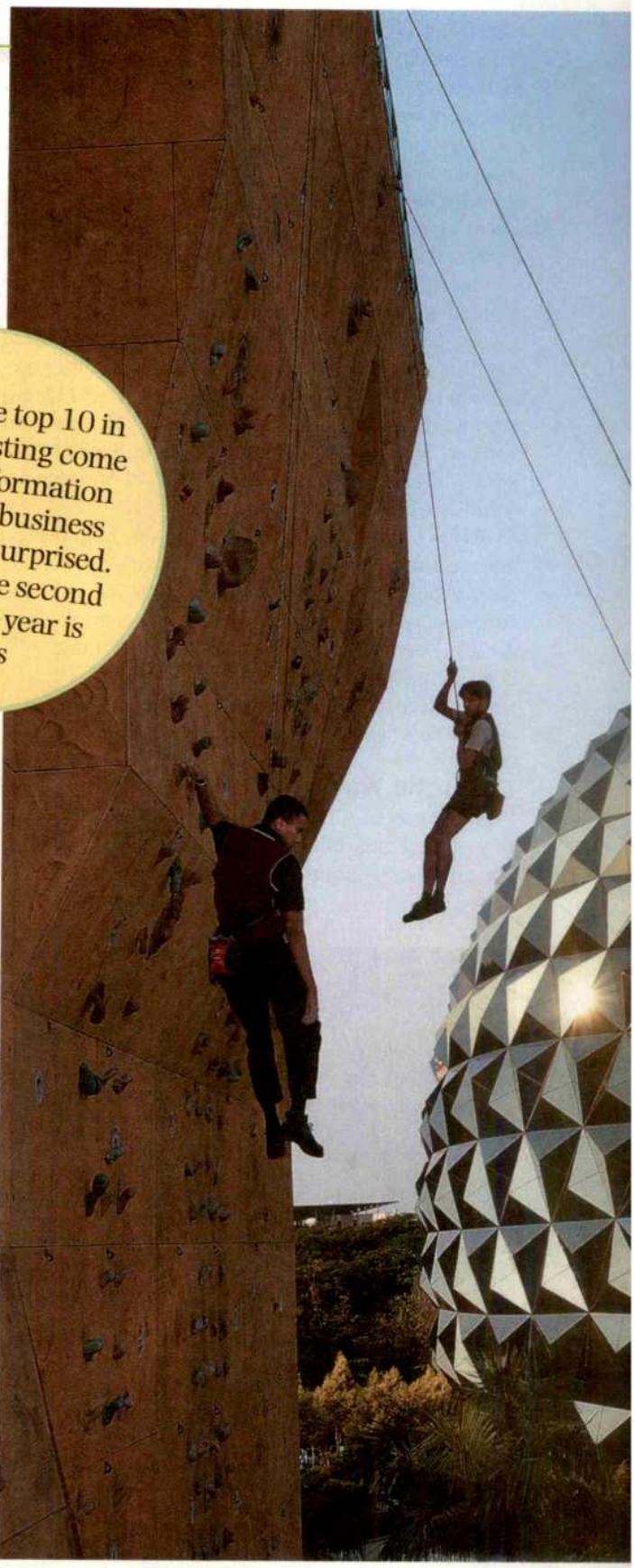
December, its attrition rate was 17.5 per cent, almost six percentage points more than the number of people the company lost in the year-ago quarter.

Pai says the problem was with the initial concept and the rollout a year later has been much smoother than expected. "We are getting much more adherence from employees and both this plan and our internal job postings are growing in popularity," he says. "Human resource is serious business ...not fun and games."

Pai's thoughts may not find an echo at Google's India offices. Nooglers, short for New Googlers, here are introduced to other Googlers at a local TGIF (Thank Google It's Friday) restaurant at an employee all-hands meeting held every Friday afternoon. Heads of various businesses welcome the newbies. The search giant's culture is unlike any corporate worldwide, and it is because of a highly communicative environment that fosters productivity and camaraderie. "We have nurtured a company spirit where it is all right — and even encouraged — to be quirky and a little irreverent," says a spokeswoman for its India operations.

The India office is a great place to see Google's "Forty Languages Initiative" at work, which is about the Internet company's ability to deliver all its products in 40 languages. The company actively encourages diversity, and well before consensual sex between members of the same sex was ruled legal in India, Google India had the "Gayglers" (reaching out to gay employees) initiative up and running. Google India follows the company's global policy.

Global is also the path for the employees of the company that has pipped Google to the second place in the ranking this year. Tata Consultancy Services, India's No. 1 software exporter and largest private sector employer, has not had it easy last year. Says Ajoy Mukherjee, its



DEEPAK G. PAWAR/www.indiatodayimages.com

Global Head of HR: "The recession was far more severe than the dotcom bust... there were no increments, promotions and we started looking at performance metrics a lot more seriously."

To retain employees in these lean times and keep them motivated was a tough task for all employers, especially those in the competitive software business. Open and frequent communication and honouring offers made to freshers in colleges were key strategies. With companies such as TCS hiring some 50,000 people annually, this was a key differentiator, says Mukherjee.

The confidence posed in its young managers helped, too. When TCS wanted to replicate its feted work processes in Latin America, it turned to 35-year-old Latesh Sewani, a chartered accountant. A senior consultant and part of CEO N. Chandrasekaran's team, Sewani manages a 25-person group and has worked on large accounts such as ABN AMRO.

In his 11 years at TCS, Sewani has gone from being a fresh recruit to working in the CEO's office — something possible only at TCS, according to him. His years in Latin America exposed him to an all-new work culture, where decisions were openly questioned. "It was the most challenging assignment in my career," says Sewani. "People questioned processes that are standard practice in the rest of TCS."

IT All the Way

Expectedly, seven of the top 10 in this year's listing come from the information technology business and few are surprised. Infosys' combative HR chief Pai contends that this is because the industry rewards its people well, provides transparent assessment of their skills and allows employees to often chart their own career paths. "The IT industry is people-focused and not feudal... it gives umpteen growth opportunities," he says.

The focus on training shows in fourth-ranked IBM's flexibility of employment. It allowed Anita Guha to take time off (after being recommended) for a Chevening scholarship and even return to her employer in a different role. She was the diversity leader at IBM India and transitioned to a train-the-trainer's role. "Flexibility of employment is a must in today's environment," says Guha. IBM, in fact, has select business leaders double up as people managers to handle the diverse people needs of its employees — numbering over 100,000 in India at last count. But HR managers at IBM India are firm they will not exceed their brief. "We have taken a firm call between caring and pampering our employees ... 2009 taught us some tough lessons," admits Chandrasekhar Sripada, the Head of HR for IBM India and South Asia, stationed in Bangalore.

Cross-town Indian rival, Wipro, which makes 75 per cent of its revenues from IT services, too, has innovative policies that keep employees on their toes. The company throws promising young leaders into the deep end and expects them to learn on the job. "Nine out of 10 times they will deliver," says Kumar, its glo-

> Google's culture is unlike any corporate worldwide, and it is because of a highly communicative environment that fosters productivity and camaraderie

VIVAN MEHRA/www.indiatodayimages.com

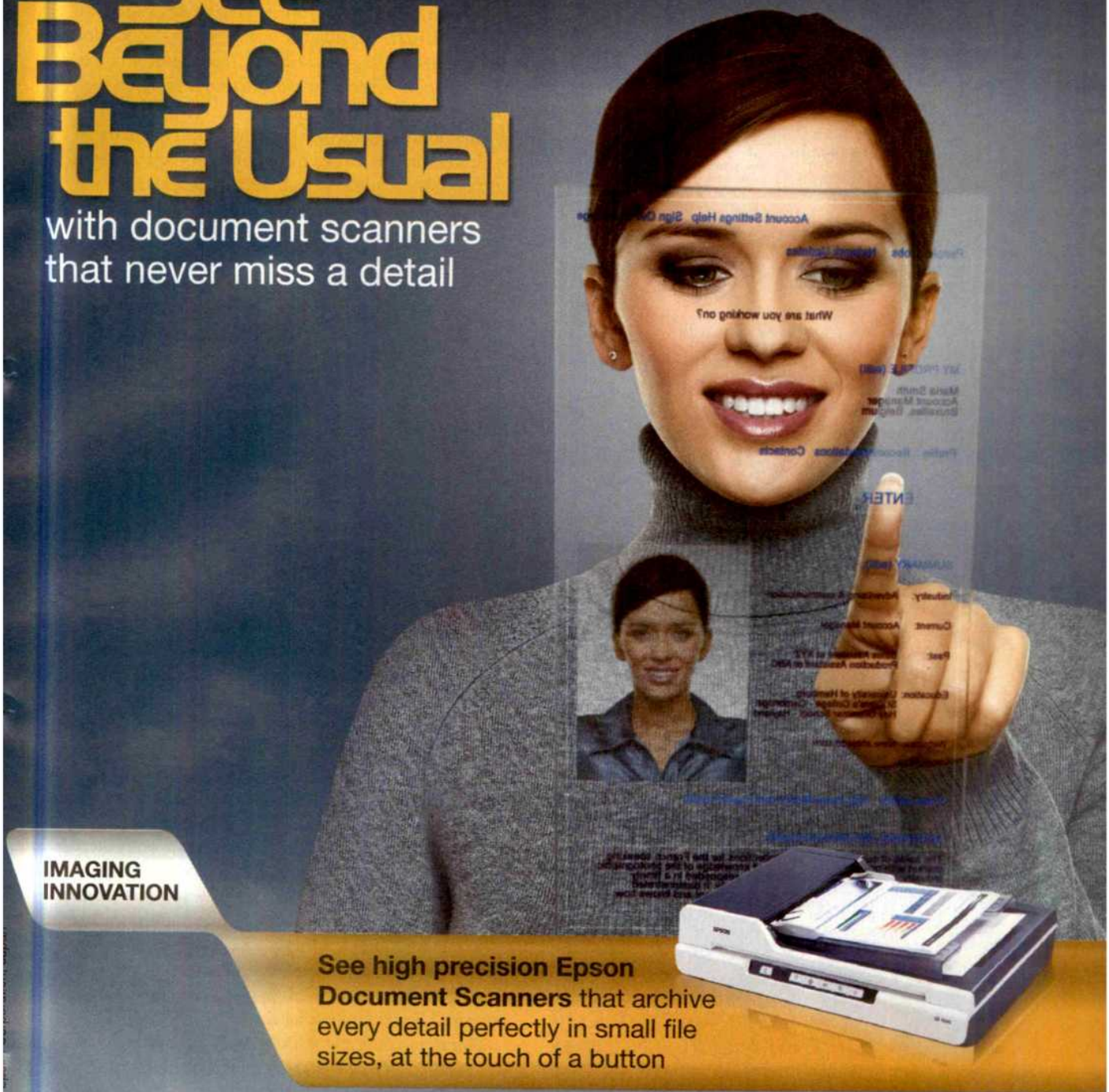
Google

No. of employees (approx.)	2,000
No of people hired in 2009 (approx)	300
Training in hrs per employee in a year	60

EPSON
EXCEED YOUR VISION

See Beyond the Usual

with document scanners
that never miss a detail



IMAGING INNOVATION

See high precision Epson Document Scanners that archive every detail perfectly in small file sizes, at the touch of a button

Epson GT-1500

1200x2400dpi scan resolution, 18ppm scanning speed, Small file sizes even at high resolution, Built-in automatic document feeder, Easy one touch scanning

MRP: ₹18,999/-

Epson GT-20000

High speed A3 scanning of 23ppm mono and 15ppm colour, Quality results from 600dpi and 48-bit colour scanning, Automatic paper size detector, USB 2.0 high speed & SCSI

A3

MRP: ₹74,999/-

EPSON SERVICE

Contact: 099866 60251 (9AM - 6PM) (Mon - Fri) or email: scanner@eid.epson.co.in
Epson Helpline: For product info or service - 1800 425 0011 (9AM - 6PM) (Mon - Sat)
For service - 1860 3000 1600 (9AM - 6PM) (Mon - Sat) **www.epson.co.in**

SMS EPSON TO 58558

Airtel

Number of employees (Approx as on Sep. 30, 2010)	15,000
No. of people hired (approx.)	2,500
Rate of attrition (As on Sep. 30, 2010)	12%
Training in hrs per employee in a year	35

VIVAN MEHRA/www.indiatodayimages.com

Neha Idnani, a commerce graduate and an MBA in Finance, has spent the last four years at Bharti Airtel — first in Bangalore, then Delhi and then Colombo

bal HR head, pointing to leaders such as Anurag Behar and T.K. Kurien, heading the Azim Premji Foundation and Wipro EcoEnergy respectively,) as examples of employees who have been given opportunities early in their careers at Wipro and prospered.

That doesn't mean old economy firms are falling off the charts. On this listing, infrastructure giant Larsen & Toubro, India's largest private sector lender ICICI Bank, and mobile phone services leader Bharti Airtel are all preferred employers. The phone company's executive director of HR, Krish Shankar, fairly relaxed in his new office, says employees are a happy lot and he has several requests from former employees who want to return.

In the middle of a conversation with *Business Today*, he waves out to Neha Idnani, Strategic Business Advisor, in the company's Sri Lankan unit. Idnani typifies the young, geographically mobile manager. A commerce graduate and an MBA in Finance, she has spent the last four years at Bharti Airtel — first in Bangalore, then Delhi and then Colombo.

"We make sure that all our employees do not just rotate from circle to circle but also from function to function. A person managing sales in Chennai should after some time manage marketing in Kolkata," Shankar says. "This is a deliberate policy not just to make our employees cross-functional but also aware about practices across India."

Idnani says she has loved the past four months spent at Colombo. "This is a country where Airtel is a start-up, we are taking the lessons we have learnt from our start-up rivals in India," she says. "This was an opportunity for me to develop my management and soft skills."

Much of the challenge for HR heads today is dealing with workers like Idnani: young, impatient and outwardly ambitious workforce. At Infosys, for example, the average age is 27 and employees are constantly on the lookout for new opportunities and — in a sign of the times — are willing to look beyond Infosys for this.

Simultaneously, the availability of more employment options only makes the job harder. For Bharti Airtel's Shankar, the biggest challenge is at the lowest rungs of the ladder, where attrition is high, particularly with 14 telecom operators feeding off the same talent pool. The likes of Facebook and Google top the list among new draws in IT making life harder for software firms. And, with the job market showing signs of only heating up further as business expands, the top decks at India's Best Companies to Work For are busy ensuring that their people, and not business alone, get their attention. After all, in the long war for talent, you cannot be a best employer for just one season. ◆

Macau is a trade crossroad for merchants from east and west, where state-of-art meeting and conventions facilities meet world class hotels, combined with an amazing selection of entertainment by day and night.

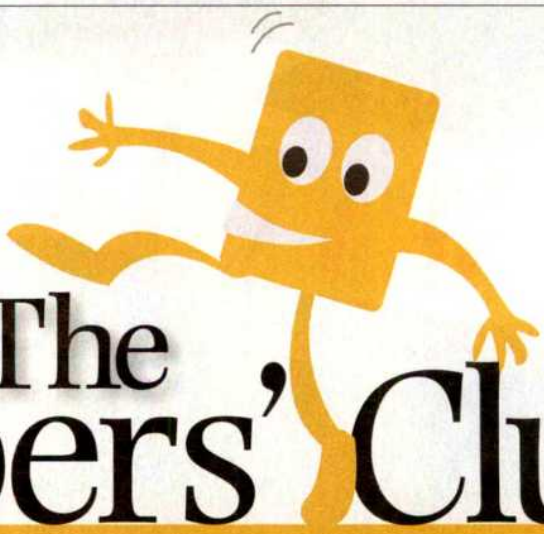
MACAU GOVERNMENT TOURIST OFFICE
www.macautourism.gov.mo

A World of difference, the difference is Macau

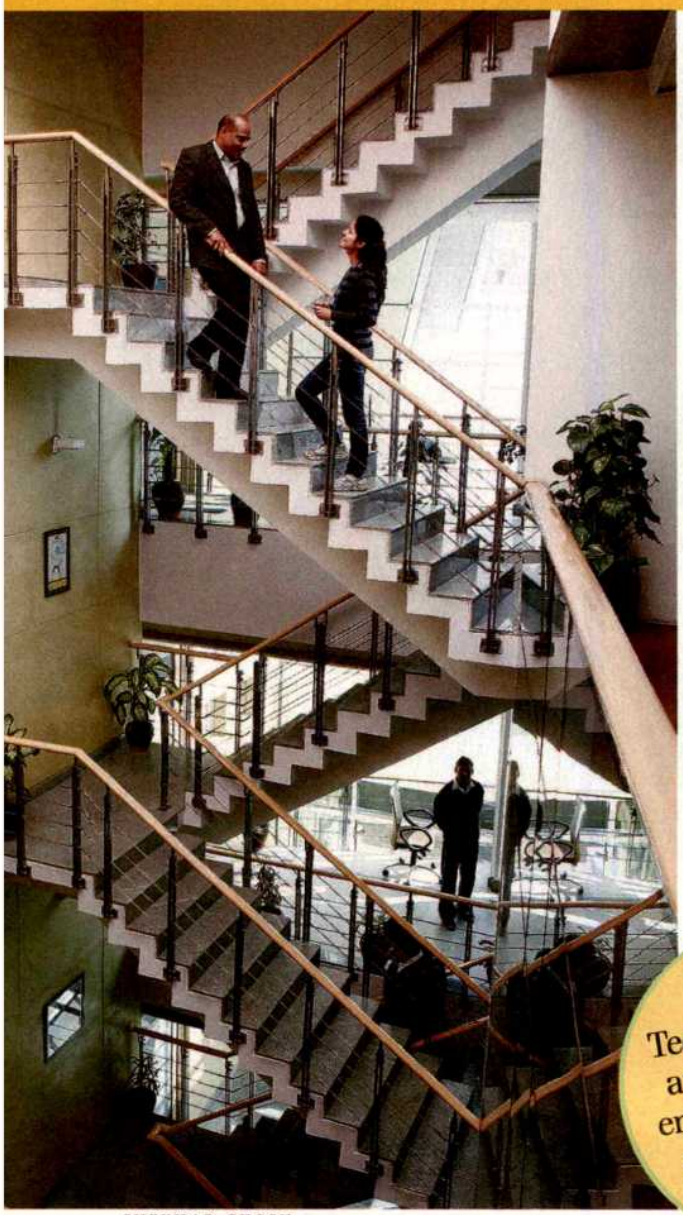
MACAU GOVERNMENT TOURIST OFFICE, India

New Delhi
72, Todarmal Road, New Delhi - 110 001. India.
Phone : 011-41669477 Fax : 011-23351503 E-mail : **anium@matoindia.in**

Mumbai
504, Marine Chambers, 43, New Marine Lines, Mumbai - 400020. India.
Phone : 022-22000262 Fax : 022-22070131 E-mail : **nida@matoindia.in**



The Climbers' Club



SHEKHAR GHOSH

ICICI Bank, Larsen & Toubro, Accenture, and HCL Tech rise sharply in the ranks. What makes them stand out? BY TEAM BT

In August last year, 27-year-old Hemant Shah, a senior programmer with Accenture India, was returning home from a movie when the car he was travelling in had a nasty collision in Gurgaon. He had to be rushed to a hospital and spent three weeks convalescing, time he didn't have and leave he couldn't afford to take. Just as he was faced with the possibility of going on "leave without pay", Shah chanced upon an "Hours That Help" leave policy that gave him another option. Here, employees who have extra leave can put them into a virtual bank and have needy colleagues use them in emergencies. "This initiative avoided a situation where I had to take leave at a loss of pay," says Shah. Accenture has had this unique leave policy in place for two years now. "We look to provide an engaging work experience for our people," says Accenture India's HR Head Prithvi Shergill. For employees, this works as a feel-good, an instant gratification of being able to do something substantial beyond work at work. Perhaps that is the reason Accenture has risen in the rankings (up from #16 to #7).

Not just Accenture, other companies that have risen in rankings this year have two things in common: one, initiatives that make them stand out in terms of an employer brand, and two, employee communication on what their employer brand stands for. "A clear message to others: Build your corporate brand and make it visible to the employees," says Pankaj Bansal, Co-founder and CEO of PeopleStrong, a partner in *BT's Best Companies to Work For.*

HCL Technologies has around 70,000 employees and its attrition rate is 15.5 per cent

L&T

Number of employees (approx.)	47,000
Avg increment last year	13%
Rate of attrition	7.2%
Male, Female employee ratio	92:8
Training per employee in a year*	4

*In man-days, excluding trainees, for whom it is much higher

NISHIKANT GAMRE

Rima Desai moved from Infosys to Larsen & Toubro. The mechanical engineer says she is better off in the core sector

Talking about Accenture, the IT services and consulting firm has not had it easy in an increasingly competitive market. But in terms of employees, what has perhaps worked for the organisation is a firm focus on individual training and development of its employees, with options to move not only across its technology, BPO and consulting businesses, but also across continents. The firm offers courses with top colleges including XLRI and ISB, Hyderabad. It is this constant learning and mentorship that has kept Kushal Sharma, 33, at Accenture for nearly eight years. The deputy manager for risk and compliance is a commerce graduate who completed his MBA while at Accenture and has benefited from mentorship by Sindhu Menon, the unit's general manager. "The opportunity to work with clients across the globe and have Accenture invest in my education keeps me here," he says.

Sitting in his corner office on the ground floor of Accenture's campus on Bangalore's Banerghatta Road, Harsh Manglik, Chairman and Geography Managing Director, is focused on keeping the feel of a small — and nimble — company at Accenture India. "We have a shirt-sleeves rolled-up culture here and we think about our people as a network rather than a hierarchy," he says.

Walking the Talk

Coming out of the slowdown, this bank took a big and conscious decision that is winning it accolades from HR watchers and employees alike. ICICI Bank decided, one-and-a-half years ago, that it was time to shed its image of working like a ruthless army. "We are very conscious about addressing the softer issues," says K. Ramkumar, Executive Director, HR. So, at the moment, it is all about people and a connect between the business leaders and its employees. "We want to connect with employees better while still retaining the culture of a demanding, pushing and result-oriented organisation," he adds. The idea is to make the senior management a listening force.

The bank runs a campaign called I-Voice where the senior management team, including MD and CEO Chanda Kochhar, meets a group of 20 to 40 employees every fortnight. So far in a year, the senior management has already covered 8,000 employees through 200 I-Voice engagements.

Vineeta Rajadhyaksha, Regional Head, Mumbai, West, who met Chanda Kochhar last year and Executive Director Ramkumar recently in a group, says they listen and implement suggestions, too. Ramkumar recalls how the casual leave policy of the organisation was changed after receiving a feedback in an I-Voice meeting. The leave policy earlier had a clause of treating any leave more than a day as privilege leave. Why not relax the rules for those who take prior permission for leave, some employees suggested. "We relaxed the rules immediately," says Ramkumar.

Another suggestion related to pooling the ideas of young employees of the bank, which otherwise are not heard in any forum. "This idea is now being institution-

alised within the bank," says Rajadhyaksha. The bank ranks right on top in BFSI rankings and has risen 10 ranks overall.

On Solid Ground

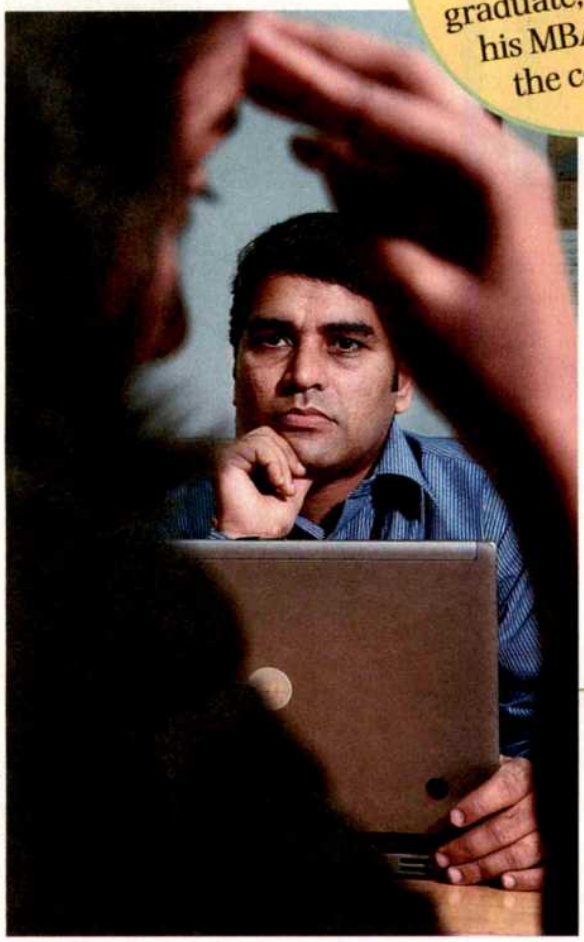
If the downturn did anyone a good turn, it was the engineering companies like Larsen & Toubro. In the competition to grab engineers, they caught up with infotech companies — a role they have always been behind in. What further helped their employer brand was the fact that the labour market is maturing and employees are learning to look beyond the short term. M.S. Krishnamoorthy, Executive Senior Vice President of L&T, understand this. "Engineers today are keen to build some domain knowledge as part of building their careers," he says. This is what is driving them to L&T. What also helped was the fact that the downturn left the IT companies hamstrung in their ability to pay top dollar while the infrastructure boom at the same time boosted engineering companies.

Rima Desai, an assistant manager, had worked for Infosys before moving to L&T in 2009. "Being a mechanical engineer, I knew I would be better off in a company operating in the core sector," she says. Also, L&T offered her opportunities to move faster up the corporate ladder; she has been promoted once since joining in 2009. Currently on a maternity leave with a one-month-old baby, Desai hopes to return to her job by February. "Also, I can have a more settled life in L&T without hindering growth. In Infosys, I had to refuse on-site postings in places like London," she adds.

L&T has also introduced an 18-month MBA programme conducted by IIM Ahmedabad for its employees and every year the company nominates 45 employees and pays for the course. It also allows employees who want to nominate themselves for an MBA to go for a programme elsewhere.

What about salaries? Krishnamoorthy feels that there is little difference at the starting level, but the IT companies are able to pay a lot more to employees with three to four years of experience and then the gap keeps increasing. "In the last few years when the IT companies slowed down, we did not have to slow down as much and we managed to catch up. At L&T now we have so many orders, we will need all the engineers (we can hire) and we have to reduce the gap if we want them," he says. The senior VP's task gets easier with employees across industries ranking the conglomerate among the top 10 preferred employers. L&T rises from rank 11 to 8.

Kushal Sharma has been with Accenture for eight years. A commerce graduate, he finished his MBA while at the company



DEEPAK G. PAWAR

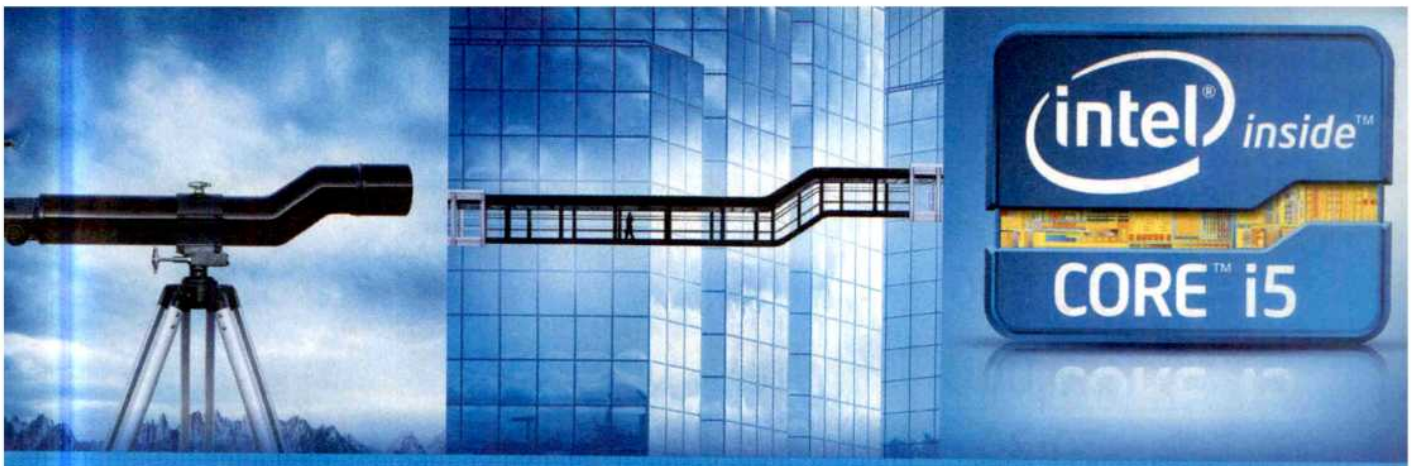
The First Mover

When you declare that your employees come first and customers second a few years before the slowdown, what do you do in the slowdown and beyond? D.K. Srivastava, Global Head, HR, HCL Technologies, who has spent over a decade and a half in the Noida-based company, gives you the big picture. "Like it or not, we are in the business of people; it is the grey matter in our employees' heads which is our greatest asset," he says.

All the leading executives of the company make it a point to try and meet each employee during interactive sessions called "Directions". "We finished 'Directions 11' just now. At these meetings, anybody can ask Vineet

Accenture

Number of employees (Approx. as on Aug. 31, 2010)	50,000
Rate of attrition	20%
Male, Female employee ratio	70:30



Experience the world at a higher level.

INTRODUCING THE NEW 2ND GENERATION INTEL® CORE™ PROCESSOR FAMILY.

It's time to move computing beyond just speed.
And turn it into an immersive experience—rich, responsive and effortless.
Where what is seen is as important as the task completed.

That's why we developed a new family of processors that redefine performance.
With built-in enhanced visuals and the adaptive capability of Intel® Turbo Boost Technology[1], Intel® Core™ processors let you move seamlessly between all the things you do on your PC.

Now creativity and joy live side by side with productivity and satisfaction.
When you see it, you'll know it. When you use it, you'll feel it.
It's a higher level of experience.

We call it Visibly Smart.

intel.com/inside

Sponsors of Tomorrow.™ intel

Copyright ©2011 Intel Corporation. Intel, the Intel logo, Intel Sponsors of Tomorrow™ and Intel Sponsors of Tomorrow logos are trademarks of Intel Corporation in the U.S. and/or other countries.
[1]Requires a system with Intel® Turbo Boost Technology capability. Consult your PC manufacturer. Performance varies depending on hardware, software and system configuration. For more information, visit http://www.intel.com/technology/turboboost

ICICI Bank

Number of employees	53,000
Number of people hired in 2010-11	20,000
Male, Female employee ratio	70:30
Training per employee in a year*	8

*In man-days

(Nayar, the CEO), me or other members of the top management a question," says Srivastava. Since these meetings are usually face-to-face, though in groups, the entire process takes over 35 days.

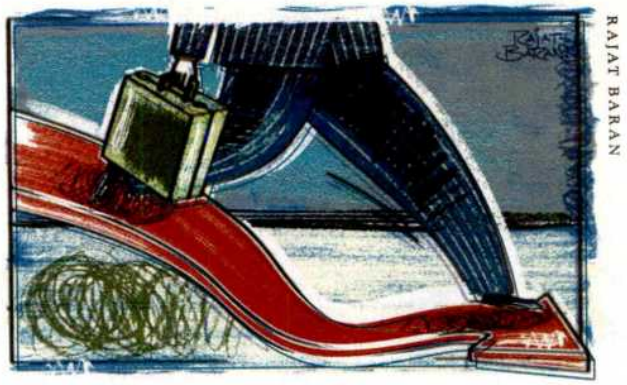
It was during these meetings that the company openly discussed the recession of 2008-09. "We told our employees the options that we had. We could have retrenched 2,000-3,000 people and improved financial indicators or we could have continued and not left any HCL-ite behind," Srivastava says.

But the management had employees fulfil two conditions if no one was going to be retrenched: "that employees should add more skills and that they should become more flexible." And according to the HCL Tech head, that was a hit. "Our utilisation rates improved, and the fact that we have multi-skilled employees is paying off for us even today."

And as the survey points out, open communication works. HCL Technologies has been growing faster than ever, adding over 20,000 new faces over the past four quarters. ◆

REPORTING BY SUMAN LAYAK, RAHUL SACHITANAND, ANAND ADHIKARI AND KUSHAN MITRA

Unbridled growth comes with its set of people challenges, as HDFC Bank found out this year



RAJAT BARAN

Time to Reinvent

Look out for those who slipped this year. They are reenergising their people practices. BY ANAND ADHIKARI and MANU KAUSHIK

Imagine people challenges for a 16-year-old private sector bank that seems to have compressed the previous 14 years of its existence into the last two years — at least in terms of growth. HDFC Bank (also thanks to Centurion Bank merging with it) seems to have done precisely that, expanding its branch network from 750 to 1,850 branches and spreading from 325 to 820 cities in the past two years.

"That kind of expansion has its own challenges especially with regard to reaching out to employees in remote locations and training them," reasons Paresh Sukthankar, Executive Director at HDFC Bank. That could be a good background for understanding the bank's fall from the top 10 last year to 18th position in the study, though in its sector, it continues to be among the top employers.

Mandarins at the HR department say they are busy innovating with new tools apart from e-learning and trainers that they use for training new recruits. "We have developed a M-training module which uses mobile as a mode of disseminating information and training in the remotest areas," says Philip Mathew, Chief Peoples' Officer at HDFC Bank.

Under the module, a 20-minute clip flashes on subjects like regulatory guidelines, softer issues, credit and operational risk, etc. The training has already covered about 1,400 new recruits in the last six months.

At HP India, which fell out of the top 10, the focus is on building the brand. "Our brand name doesn't conjure up the entire diversity of profiles that we offer. People know us largely as a printer and PC company, but that's not true. HP is pretty much present in every business vertical right from services to technology products, application services, R&D and BPO services," says Srikanth Karra, Director, HR. The company is trying to address this issue by conducting career fairs across metros regularly, advertisements, an internal job posting process and campus recruitment.

Karra points out that recruitment at HP India slowed last year due to the global meltdown. It could have been one of the reasons why HP's brand recall slipped. With growth picking up, he is optimistic of attracting the right talent. "We need to increase our salaries and bring back the parity. At the same time, we have to be prudent about the hiring process," he adds.

Two other companies on the slippery road in terms of employee perception — Dell and State Bank of India — did not want to comment. ◆

日本の高性能潤滑油を インド でお届け致します。

日本でナンバーワンの **ENEOS** エンジン オイル は、お車の高い性能を引き出します。大勢のお客様に支持されている **ENEOS** オイル はどんなエンジンでも、どんな環境下においても最大限のパフォーマンス を発揮致します。

- ガソリン 車の性能を最大限引き出します。
- 優れた清浄性能がエンジンを綺麗に保ちます。
- エンジン の摩耗を防ぎます。
- 燃料消費の低減に威力を発揮します。
- 低温でも優れた エンジン始動性をもたらします。

The largest selling Japanese lubricant now available in India.

Manufactured & Marketed in India by :
Tide Water Oil Co. (India) Ltd. In technical collaboration with
JX Nippon Oil & Energy Corporation, Japan.

ENEOS

Licensed by
JX Nippon Oil & Energy Corporation
Japan

Sector Toppers

Business Process Outsourcing

Rank		Index Score
1	Accenture BPO	100
2	Genpact	97
3	Wipro BPO	92
4	Infosys BPO	90
5	IBM Daksh	88
6	WNS	81
7	HCL BPO	79
8	TCS BPO	73
9	Convergys	67
10	AmEx	61

First Port of Call

Good old employee engagement remains the mantra for BPO and call centre firms. BY SAUMYA BHATTACHARYA and RAHUL SACHITANAND

When Ashima Lamba returned to India in 2009 after a three-year stint in Dubai and was looking for work, she was drawn to Genpact, India's biggest business process outsourcing, or BPO, firm. Though she had the option of joining the India offices of the audit and consulting firm that she worked with in Dubai, she chose Genpact, her employer of seven years until 2006.

At Genpact "as long as you are delivering, the rest is not important. It was a big pull", says Lamba, Assistant Vice President of Human Resources, or HR. "Besides, a lot of the earlier leadership was still around." And while the economic slowdown of 2008 and 2009 in the West may have been tough on the company, which gets most of its work from the United States and Europe, Lamba has a lot of respect for how it dealt with the challenges.

Genpact — ranked No. 2 in this year's *BT* Best Companies to Work for Survey — was one of the few in the BPO business that did not reduce salaries in 2009 and 2010. "We did not necessarily give increments as we did earlier, but we continued to hand out increments and salaries," says the firm's HR boss Piyush Mehta. Genpact did this at a time when it was dealing with slower revenue expansion. In October, it lowered its guidance for full-year sales growth to 12-13 per cent, almost five percentage points lower than its earlier estimate.

All the three toppers in the back office support sector this year, Accenture BPO, Genpact and Wipro BPO, have entered the list for the first time. Last year, the five toppers were IBM Daksh, HP BPO, Infosys BPO, TCS BPO and HSBC Electronic Data Processing.

In the BPO business, people are core assets and the HR focus at Genpact is helping it. The Gurgaon-headquartered company does not pay the best salaries in the industry nor does it hand out huge increments (set at eight to 10 per cent on average this year). Mehta says Genpact's big challenge in the year ahead will

be attrition, which has jumped to 28 per cent as of September, up from 23 per cent in 2009. "The market is exploding outside. We need to get our arms around it," says Mehta, adding that low attrition levels at senior ranks gave him some comfort.

In Bangalore, at global giant Accenture's Asia Pacific BPO, a Genpact rival, Delivery Lead Manish Sharma takes employee engagement equally seriously. Often, he makes a colleague — it could even be a junior associate — travel with him for a day, sit through meetings with clients and partners, and contribute actively. Sharma also organises "town halls" at office, chats with employees over coffee, and even meets their parents.

Accenture BPO, which does not make public the break-up of its 50,000-strong staff in India between software and back-office work, was among the first in the business to collaborate with a university when it signed up with the Indira Gandhi National Open University for a one-year programme in finance and accounting for its employees. It has a similar tie-up with the Indian Clinical Research Institute, besides internal programmes such as the Accenture Management Development Academy.

The other attraction is movement across any of Accenture BPO's 62 centres worldwide. Says Sharma: "We do not do basic call centre work that has high attrition. We have doctors, engineers on our staff to undertake more critical tasks."

Twenty months into the job, Sharma's counterpart at Wipro BPO Ashutosh Vaidya is coming to grips with dealing with a business where 80 per cent of employees are below the age of 25, ambitious, and demand an exciting and challenging workplace. That, too, in an environment where "we expect near-zero errors, expect employees to work long hours, often through the night," says Vaidya, the Chief Executive for the Wipro unit.

There is a strong urge for further studies among the young employees, and Wipro BPO sees this as a way to fix attrition. "If an employee passes a course, Wipro will pay for it," says Vaidya. Wipro BPO does not disclose the number of executives working with it (it clubs it with its mainstay software business) or the attrition data but some of these initiatives may be working for it. "High attrition is a way of life in the industry...but we also have employees who started as associates and are now general managers or associate vice presidents," says the CEO.

Taming the attrition beast in the BPO sector may not be rocket science, after all.

Genpact

Number of employees	43,300
Avg increment last year	8-10%
Rate of attrition (As of Sep 30, 2010)	28%
Male, Female employee ratio	62:38
Training per employee in a year (hours)	115

Ashima Lamba, Assistant VP (HR), Genpact

VIVAN MEHRA

BFSI

Rank		Index Score
1	ICICI Bank	100
2	HDFC Bank	86
3	SBI	85
4	HSBC	77
5	Axis Bank	75
6	Deutsche Bank	65
7	Stanchart	63
8	ICICI Prudential	60
9	LIC	59
10	Citigroup	57

Back in the Hunt

The slowdown has ended but core sector PSUs remain favoured recruiters for some of India's best talent. BY MANU KAUSHIK

Core Sector

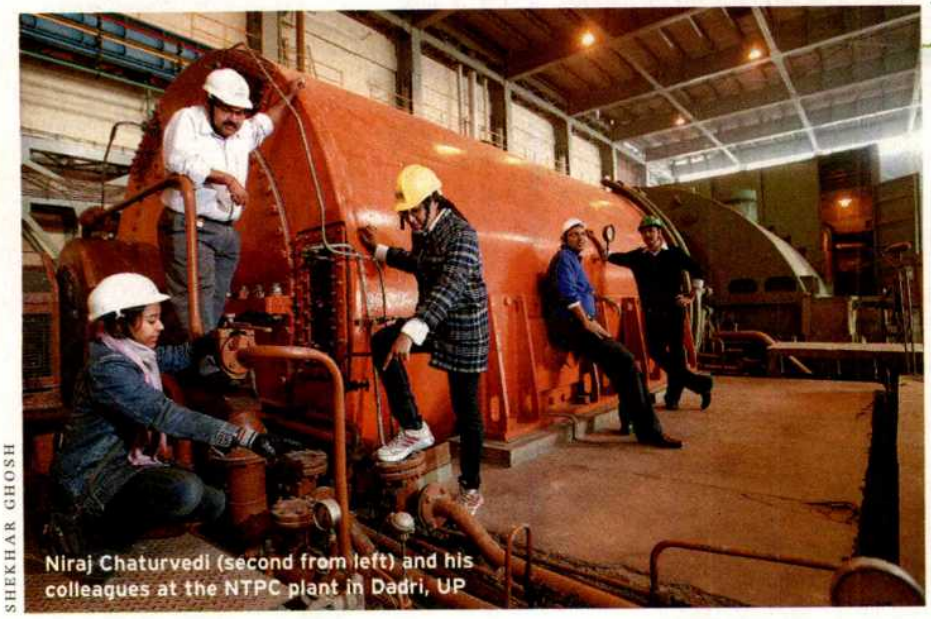
Rank		Index Score
1	ONGC	100
2	NTPC	99
2	IOC	99
4	SAIL	90
5	Tata Steel	89
6	BHEL	82
7	L&T	77
8	Tata Power	71
8	BPCL	71
8	ABB	71

During the campus recruitment season at the Indian Institute of Management, or IIM, Bangalore in 2009, Anith Prakash, a final-year student of the post-graduate programme in management, was in a fix. An engineer from Anna University, he had three job offers in hand from General Optics, Bharat Petroleum Corporation Ltd, or BPCL, and Indian Oil Corporation Ltd, or IOC. General Optics was paying almost 30 per cent higher than the next best offer from IOC. But after careful deliberation and some advice from his family, Prakash took up IOC's offer. The reason was a better job profile. While General Optics was offering him a sales job, at IOC he was made a part of the team running the supply chain optimisation department, which forecasts the demand for oil and designs the supply chain in advance for cost savings and seamless distribution. "Our division is fairly new and we are setting up the processes and trying out new things. The learning opportunities are immense," he says.

Consider the example of Niraj Chaturvedi, a mechanical engineer. On seeing an advertisement from NTPC Ltd for the post of Deputy Manager (Mechanical) in leading dailies, he promptly sent in his resume and got the job. "I had worked with the private sector for over 10 years before joining NTPC in 2008. Besides the job content, NTPC's brand name was a major pull," says Chaturvedi, adding that he had to take a pay cut of 40 per cent in the new job.

Prakash and Chaturvedi are not alone. Jobs in the core sector are once again being coveted by MBA graduates and engineers. In 2010, the three biggies — Oil and Natural Gas Corporation Ltd or ONGC, NTPC and IOC — together recruited over 2,200 engineers and management graduates from the top colleges, including the Indian Institutes of Technology or IITs, the IIMs, the National Institutes of Technology, or NITs, among others. In February 2010, when NTPC announced 300-odd vacancies for engineers at the entry-level, it was inundated with over 96,000 applications.

For most job seekers, besides a challenging job profile and the opportunity to be associated with a big brand, there are other pulls as well. For Chaturvedi, it was due to a "work-life balance and unlimited medical



Niraj Chaturvedi (second from left) and his colleagues at the NTPC plant in Dadri, UP

SHEKHAR GHOSH

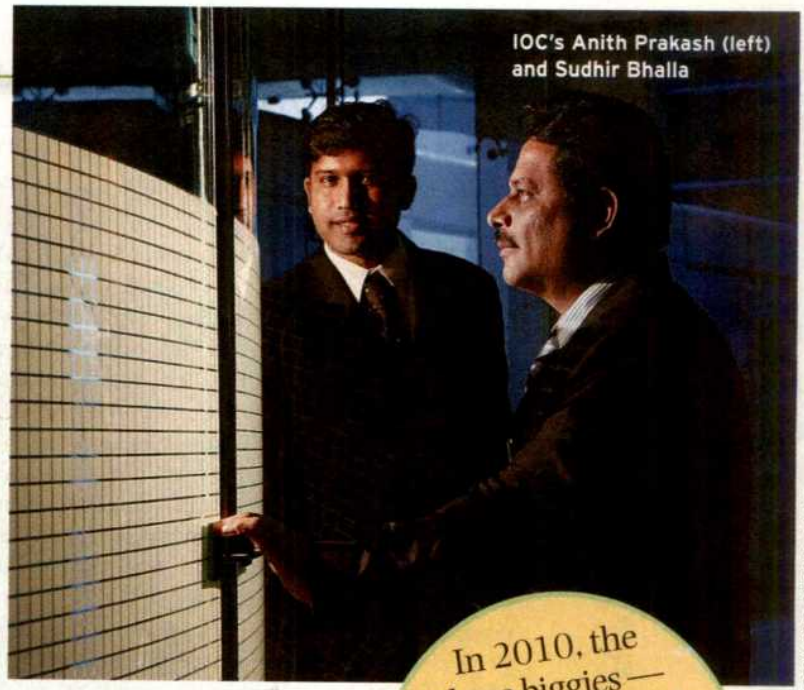
NTPC

Number of employees	24,955
Number of people hired in 2010-11 (As on Dec 31, 2010)	931
Avg increment last year	3%
Rate of attrition	0.24%
Male, Female employee ratio	18:1
Training per employee in a year (mandays)	8.5

IOC

Number of employees	34,335
Number of people hired in 2010-11* (As on Dec 31, 2010)	500
Avg increment last year	3%
Rate of attrition^	<1%
Male, Female employee ratio	12:1
Training per employee in a year (hours)**	<6

*At Executive level
^For executives: 0.93%; Non-executives: 0.05%
** For executives: 5; Non-executives: 3.5



IOC's Anith Prakash (left) and Sudhir Bhalla

SAPTARSHI BISWAS

In 2010, the three biggies — ONGC, NTPC and IOC — together recruited over 2,200 engineers and management graduates

facilities". NTPC has now roped in Apollo Hospitals Group to look at the possibility of setting up specialty hospitals in its townships. The company has also tied up with engineering and medical colleges such as Birla Institute of Technology, or BIT, Mesra, the Manipal Group and the Thapar Institute of Engineering and Technology for giving preferential treatment to the children of its employees at the time of admissions. Says S.P. Singh, Director of Human Resources at NTPC: "Today's youth want to work in and around the cities due to access to better facilities. So we have tried to address this issue by providing better educational and medical facilities in our townships."

The recent economic slowdown has worked in favour of PSU recruiters. "The perception that PSU jobs are recession-proof has not gone away completely," says Tauqir Hussain, Executive Director (Chief, HRD) at ONGC, adding that till 2007, the company was not a preferred employer. "In fact, some engineering colleges asked us not to come to their campuses for recruitment. However, things changed dramatically after the downturn," he says.

Most frontline core sector giants also have low attrition rates due to job security and future retirement benefits. But the PSUs admit that retaining talent will emerge as the biggest challenge in the future. ONGC, for instance, says its cost-to-company, or CTC, at the entry level at over ₹12 lakh per annum is competitive enough to hire talent, but admits that stopping attrition at the mid-level will be difficult. "Our mid-level is very heavy and that is the reason the company has not been able to promote a lot of people," says Hussain.

Sudhir Bhalla, Director of HR at IOC, too, admits that his biggest challenge is to keep the employees motivated. "PSU salaries do not rise at the same pace as the private sector," he says. IOC is trying to keep employees happy by increasing their take-home salary. "We have introduced the 'cafeteria approach' in the last pay revision (in 2008), which allows executives to choose from a set of perks and allowances (as per their wish) instead of a fixed set of allowances. This enables people to increase the cash component of their salary substantially," says Bhalla.

For the moment, though, the core sector behemoths are once again on the prowl on the MBA and engineering campuses and are making a pitch for the country's best and the brightest.

ONGC

Number of employees	32,826
Number of people hired in 2010-11* (As on Dec 31, 2010)	1,400
Avg increment last year	3%
Rate of attrition	0.2%
Male, Female employee ratio	15.5:1
Training per employee in a year (mandays)	4.2

*Executives: 800; Non-executives: 600

Engineering & Automotive

Rank		Index Score
1	Tata Motors	100
2	M&M	81
3	L&T	78
4	Maruti Suzuki	64
5	BHEL	57
6	Hero Honda	55
7	ABB	53
8	Bajaj Auto	49
9	GM	48
10	Ford	47

A Lasting Impression

M&M courts talent assiduously with some out of the box HR initiatives. BY T.V. MAHALINGAM

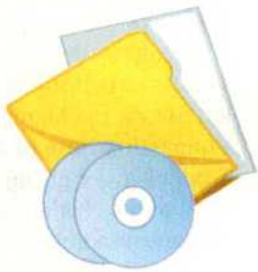
On the morning of February 18, 2010, a Mahindra Scorpio picked up 24-year-old Gunjan Shukla and dropped her at office. Soon, a colleague walked up and gave her a rose. This was no secret admirer's idea of making her day but her first day at work with Mahindra & Mahindra. It was the automotive giant's unique way of saying: Welcome. "It is an HR programme called "first impressions", which allows us to monitor every touch point with a new recruit," says Prince Augustin, Senior Vice President, Human Capital, Mahindra & Mahindra. Employees are asked the simplest questions: were their visiting cards handed to them on time, has the induction program happened, have performance targets been set, among others. "The idea is to track the employee engagement," says Augustin. Incidentally, Shukla works as an Assistant Manager with the company's "auto passion" programme. It is an initiative to get employees passionate about the automotives business and technology. Quizzes and events are conducted around the country involving all employees. Says Pawan Goenka, President (Automotive Sector), M&M: "Talent management is critical. It is crucial that we chart career paths for employees." Then, there is no room for complacency.

M&M

Number of employees	12,178
No. of people hired in 2010-11	960
Rate of attrition	10%
Male, Female employee ratio	19:1
Average training hours per employee in a year (man-days)	5

Best foot forward: Prince Augustin of M&M

UMESH GOSWAMI



Software and IT

Rank		Index Score
1	TCS	100
2	Infosys	96
3	IBM	79
4	Google	73
5	Accenture	68
6	Microsoft	64
6	Wipro	64
8	HCL	52
9	Cognizant	48
10	Oracle	44

VIT Business School

Fostering Innovation

VIT Business School stresses on combining the powers of knowledge and experience to help you secure a job, and to excel in it. While also ensuring that business education is as much fun as it is important.

It is a full-service management school that imparts hands-on training in specialisations that cover a wide range of industries. Here, you can experience the excitement of learning on the job with out-bound training programmes. You can enhance your management skills through fun-filled co-curricular activities and simulation modules. You can understand the pulse of markets by interacting with them on a regular basis. You can feel the buzz of the corporate world by working in companies through summer placements.

Most importantly, with VIT Business School's innovative and fun learning methods, you can gain the knowledge and experience that gives you the confidence to secure a bright future for yourself.

We enhance
your management skills.

We impart
hands-on training.

We give you
the right exposure.

So that you can write your own destiny.

At VITBS, we give you the confidence
to pursue the best opportunities.

To apply log on to : www.vit.ac.in/vitbs/vitbs.asp

VIT®
UNIVERSITY
(Estd. u/s 3 of UGC Act 1956)
Vellore - 632 014, Tamil Nadu, India
www.vit.ac.in

Thinking Long Term

Employees at these companies rarely have a reason to quit.

BY ANUSHA SUBRAMANIAN and SAUMYA BHATTACHARYA

FMCG, Durables

Rank		Index Score
1	HUL	100
2	ITC	84
3	Nestle	79
4	Samsung	68
5	LG	66
6	Cadbury	62
7	Dabur	59
8	Pepsi	58
8	Procter & Gamble	58
10	Tata Chemicals	51

Leena Nair, Executive Director, HR, says that it is difficult to single out any one thing that Hindustan Unilever has done differently. That's because, she says, HUL has honed a consistent and holistic approach when it comes to attracting, retaining and engaging talent. "Over several generations of leaders, we've evolved a culture of coaching, mentoring and learning which the company believes is a unique strength and has resulted in HUL being referred to as a 'leadership factory'," she adds.

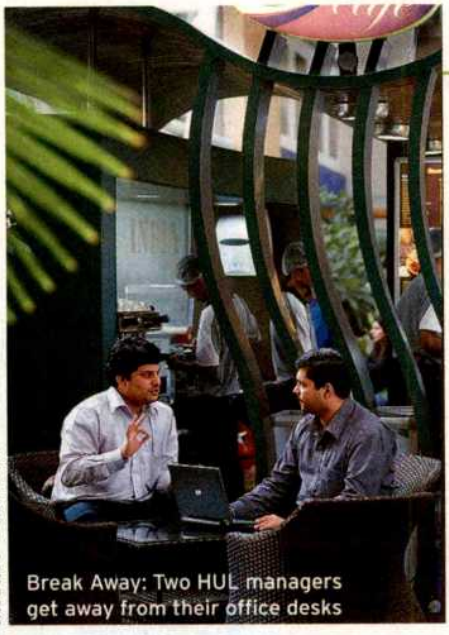
But it is not resting on its laurels, and is busy offering several work-life balance options to the new-age employee. Ever since HUL moved into its new 12.6-acre facility in north Mumbai in 2010, for example, it has become a more comfortable and agile workplace. The new campus offers flexible work policies, including flexi time, and facilities such as a day-care centre.

That apart, HUL has begun measuring employee health on site, with a Global Vitality Mission. Unilever believes this vitality mission will help it excel and stay ahead of its competitors.

It certainly has worked well for some employees. P. Chandrashekhar, 51, Senior Manager, Insurance and Risk Management, has been with HUL for the last 11 years. "I took the test when I was 48. I had a medical condition of the heart but did not know about it as there were no external symptoms. The company then got me engaged with one of the best cardiologists in the city and now through exercise and medication my condition has improved a great deal," he says.

The other thing that sets HUL apart in its sector, Nair says, is the close linkage it fosters between individual and organisational growth. "We believe that engaged and passionate employees are a leading indicator of the future growth and success of our organisation," she says.

It is a concern ITC, #2 in this sector, shares. The company says it gives its employees a clear path that enables them to grow. "We believe people join us for the long term and their career perspectives are longer," says Anand Nayak, Executive Vice President, Corporate HR. Nayak, 59, has spent close to 38 years in ITC, having been recruited from XLRI, Jamshedpur, in 1973.



RACHIT GOSWAMI

Break Away: Two HUL managers get away from their office desks

HUL

No. of employees	15,417*
No. of people hired in 2010-11	1,065**
Avg increment in 2010	10%^
Rate of attrition	6%
Male:Female employee ratio	79:21
Avg training hrs per employee in a year (instructor-led)	10.3

* Executives 5,617, factory workers 9,800
** Executive and managerial level
^ For executives. Workers got an average of 7%

ICICI BUSINESS LEADERSHIP PROGRAMME

An Opportunity to Serve India

MBA (Finance & Banking) Programme:

ICICI Bank has not only championed India's growth story but also developed world class Business Leaders for the nation.

We believe that the next decade, a new breed of bankers would be required in the domain of Project Finance, Corporate Banking, Risk Management and Banking Technology to lead this process. With this view, ICICI Bank and NIIT University have come together to equip domain experts with banking knowledge and skills and transform them into business leaders.

This two year programme, aimed at experienced professionals, is designed to create a pool of talent at mid-management level.

Who should apply?

- Working professionals who are CAs/Engineers/ Graduates in any discipline(s).
- Minimum 60% aggregate in graduation.
- Work experience – Minimum 3 years.
- Age – Applicants should not exceed 30 years of age (as on 15th April, 2011).

Programme Structure:

- Two years full time residential programme.
- A comprehensive management programme focusing on developing expertise in advanced areas of finance and banking in the domain of Corporate Banking, Risk Management, Information Technology and International Finance.
- Hands-on experience through internship at ICICI Bank.
- Earn while you learn – Selected applicants will earn every month stipend of ₹ 10,000 on campus and ₹ 50,000 per month at ICICI Bank during internship.

Placement Guarantee:

- Post successful completion of the programme, selected applicants will be placed at mid-management level at ICICI Bank.

Commencement of Programme:

- The first batch will start in **April, 2011**.

Process for Applying:

To learn more about the programme and to apply please visit: **www.icicicareers.com**
Apply within **7 days.**

NU
NIIT UNIVERSITY
THE UNIVERSITY OF THE FUTURE

ICICI Bank

Terms and Conditions Apply. Misuse of any intellectual property or any other content displayed herein is strictly prohibited

Nestle

No. of employees	5,500
No. of people hired in 2010-11	556
Avg increment in 2010	10%
Rate of attrition	15%
Male: Female employee ratio	88:12
Avg training per employee in a year (mandays)*	2

* For white collar employees

Engineering change: Simar Preet Kahlon of Nestle

SAPTARSHI BISWAS

At ITC, senior managers are coached and mentored to be trainers, as the emphasis is on learning and growth

"There are many others like me," he says.

What makes ITC work as a talent brand is its emphasis on learning and growth. Senior managers are coached and mentored to be trainers. "We judge people harshly on performance, but when the chips are down, we treat them kindly," says Nayak.

Ever since the job market began looking up, the one area of concern for ITC has been attrition in the first five years on the job. Attrition is close to 10 per cent, but for senior managers, it is negligible.

While it has "a long way to go in terms of gender diversity", its inclusivity model is based on employee diversity. "We don't believe in cloning," says Nayak. If the company goes to the best business and technology schools to recruit, it also recruits from Tier II schools. The logic: All good talent may not have access to the best institutes.

Diversity is one of the issues Nestle India Chairman and Managing Director Antonio Helio Waszyk has decided to accelerate since he came on board in the summer of 2009. Since then, the organisation has had Swati Piramal on the board. The head of the Maggi brand is a woman (Shivani Hegde), so is the coffee business head. "It's not just for balance, but also due to their competence," says Helio Waszyk.

The company has 2,500 white collar employees and 12 per cent are women. "Manufacturing has a challenge in terms of hiring women," says Biplab Baksi, Senior Vice President, HR.

Nestle insists on its employees finding enough opportunities to work and grow within the company. Take Simar Preet Kahlon, the first woman to join Nestle India as a trainee engineer 20 years ago. Kahlon's first stint was at the Moga factory from where she moved to Samalkha to set up a greenfield project. In 2005, she went to Nestle Sri Lanka as project leader for a product called NestoMalt. At the end of 2006, she was appointed the first Safety, Health and Environment manager. "I have never had a reason to quit. Cross-function, cross-geography exposure has kept my career growing," says Kahlon.

Nestle India's latest employee engagement survey, done every two years, attracted responses from 98 per cent of the employees. This high percentage is the first for any Nestle location worldwide. "That itself is a great sign for the survey was voluntary in nature. Employees want to speak out," says Baksi.

Over five decades of dominance across industries, across Asia. And still going strong.

Elecon Engineering. Asia's largest gear company.

Driven by excellence since 1951, Elecon is Asia's largest gear manufacturing company enjoying a significant presence in India and abroad. Elecon's proven expertise in technology and innovation has enabled it successfully decipher the changing requirements of the industry and churn out technologically superior products from time to time. No wonder then that today Elecon is the supplier of choice to core sectors like Sugar, Cement, Chemical, Fertilizer, Steel, Power, Plastic Extrusion and Rubber, among others.

Elecon Engineering. Gearing Industries. Gearing India.

Dual Tandem Gear Box

Fluid, Geared & Flexible Couplings

SNU Worm Gear Box

ELECON ENGINEERING COMPANY LIMITED Post Box # 6, Vallabh Vidyanagar, 388 120, Gujarat, India.
Gear Division: Tel.: +91(2692) 236469, 236513, 236516. **E-mail:** infogear@elecon.com
MHE Division: Tel.: +91(2692) 237016, 236521, 236590. **E-mail:** infomhe@elecon.com

EMTICI ENGINEERING LTD. Marketing & Servicing Company **Regd. Off:** Vallabh Vidyanagar.
Branches: Ahmedabad, Asansol, Bangalore, Bilaspur, Kolkata, Chennai, Dhanbad, Jamshedpur, Mumbai, New Delhi, Nagpur, Secunderabad, Pune & Vadodara. **www.emtici.co.in**

ELECON

Always a step ahead in technology

Gears that run the

Pharma & Health Care

Rank		Index Score
1	Dr Reddy's Labs	100
2	Pfizer	99
3	Ranbaxy	90
4	Cipla	84
5	J&J	78
6	Novartis	76
7	Sun Pharma	68
7	Lupin	68
9	GlaxoSmith-Kline Consumer Healthcare	67
10	GlaxoSmith-Kline Pharma	62

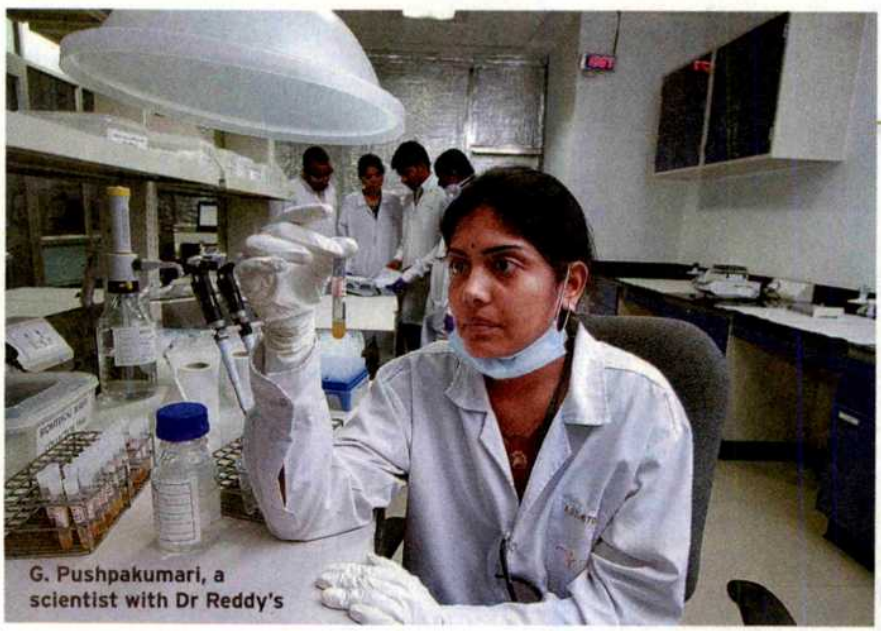
A Tonic for Talent

The top pharma companies have a "people first" mantra to nurture and retain talent. BY E. KUMAR SHARMA and SHALINI S. DAGAR

Talk to senior Pfizer India executives and they will tell you that the company believes in meritocracy. They cite the example of Sunil Madhok, Director of Business Operations. Madhok joined Pfizer India as a sales officer in December 1976 and has stayed with the company since, rising to the top echelons. He has also been on the internal advisory board of the CEO of Pfizer Inc. This unflinching commitment to promoting talent, Pfizer says, is the reason why almost a quarter of the company's workforce has been with it for more than 10 years.

At Dr Reddy's Laboratories, too, it is the same refrain. In fact, Dr Reddy's human resources, or HR, executives say that it is the only pharma company in India with a woman heading a huge sales team: Ritha Chandrachud, Senior Vice President and Head of India Marketing, leads a sales force of over 3,000. And at Ranbaxy, the rules of moving up the ladder are fairly clear. An example is an online tool, called Vector, which allows employees to apply for positions across the globe without any in-house approvals. And in-house candidates are preferred even if their current capabilities are only 60 per cent of the required levels. "We take a chance on people within the company and they almost never fail us," says Bhagwat Yagnik, Senior Vice President and Head of Global HR at Ranbaxy. This people-driven approach is, perhaps, what has made these three pharma giants bag the top three spots in the pharma and health care category in our survey.

To retain talent, these companies have tried to ensure that some good practices are systemic and institutionalised. Each employee has enough autonomy in his designated role to stay committed and involved. And then there is a well-oiled mechanism for feedback. "The feedback is not from a control or a gap perspective, but only tries to ensure that each employee is successful at the role he or she is engaged in," says Yagnik. Dr Reddy's, too, is trying to build a "role-based organisation". Last year the company partnered with Mercer, a global HR consulting firm, to prepare a new organisational structure that will define every job and evolve "sharp scorecards to define accountability". The idea, according to



A. PRABHAKAR RAO

G. Pushpakumari, a scientist with Dr Reddy's

Dr Reddy's

Number of employees	12,000
Number of people hired in 2010-11 (As on Dec 31, 2010)	3,800
Avg increment last year	12%
Rate of attrition	15.8%
Male, Female employee ratio	9:1
Avg training per employee in a year (hours)	24-100

HYUNDAI

Born of luxury.

Nurtured by innovation.

SANTAFE

Born of luxury.

Power and luxury come together in pure harmony in this global favourite from Hyundai - The Santa Fe. With over two million satisfied Santa Fe owners worldwide, it's time you checked it out here in India.

- **Powerful 2.2L CRDi e-VGT engine (197ps / 42.9 Kgm)**
- **6 airbags with active headrest, roll-over sensors and Electronic Stability Program (ESP)**
- **3 rows of comfort seating**
- **Cruise control**
- **Power adjustable driver and front passenger seats**
- **On-demand 4-wheel drive**

Global Awards & Accolades

- Top Safety Pick 2011 (USA)
  - Insurance Institute for Highway Safety (IIHS)
- Most Reliable Car
  - Consumer Reports 2010 Annual Auto Reliability Survey
- Best SUV of the Year (USA)
  - Autobuytell.com
- SUV of the Year (New Zealand)
  - Auto Trader Magazine
- 5 Star Safety- 5 Years in a row (USA)
  - NHTSA
- No.1 in TQS (USA)
  - Strategic Vision
- Car of the Year (USA)
  - Consumer Report

www.hyundai.co.in

334 OUTLETS
413 SALES FACILITY
627 SERVICE FACILITY

HYUNDAI SERVICE

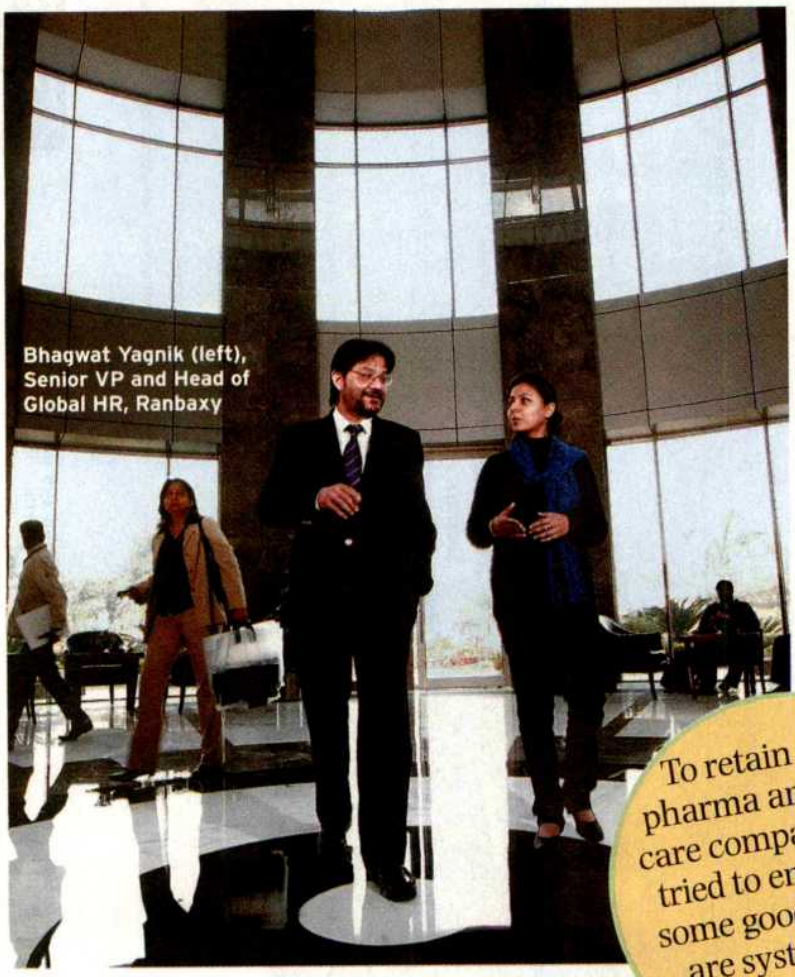
Call Centre
1-800-11-4645
098-7358-4645
24X7 Road Assist
1-800-102-4645
0124-2564645

Features and specifications as shown may not be part of standard fitment and are subject to change without prior notice.

MANUFACTURING UNIT AND REGISTERED OFFICE: SRIPERUMBUDUR TALUK, TAMIL NADU-602105. PH: 91-44-47100000, 27156111 **MARKETING AND SALES HEAD OFFICE:** NEW DELHI-110044. PH: 91-11-66022000 **REGIONAL OFFICES: CENTRAL:** NEW DELHI-110044. PH: 91-11-66241100 LUCKNOW-226001. PH: 91-522-6714600 **NORTH:** CHANDIGARH-160101. PH: 91-172-6605000 **SOUTH:** CHENNAI-600032. PH: 91-44-42204600. HYDERABAD-500082. PH: 91-40-64631130-32/43 **WEST:** MUMBAI-400093. PH: 91-22-40969000. AHMEDABAD-380059. PH: 91-79-66133000 **EAST:** KOLKATA-700091. PH: 91-33-40060048/49. BRANCH OFFICE - GUWAHATI-781007. PH: 91-361-2466173/174

Best exchange value through ADVANTAGE

INNOCEAN-002/11


Bhagwat Yagnik (left), Senior VP and Head of Global HR, Ranbaxy

SHEKHAR GHOSH

Ranbaxy

Number of employees	10,000
Number of people hired in 2010	3,000
Avg increment last year	13%
Rate of attrition	12%
Avg training per employee in a year (hours)	50

To retain talent, pharma and health care companies have tried to ensure that some good practices are systemic and institutionalised

Pfizer India

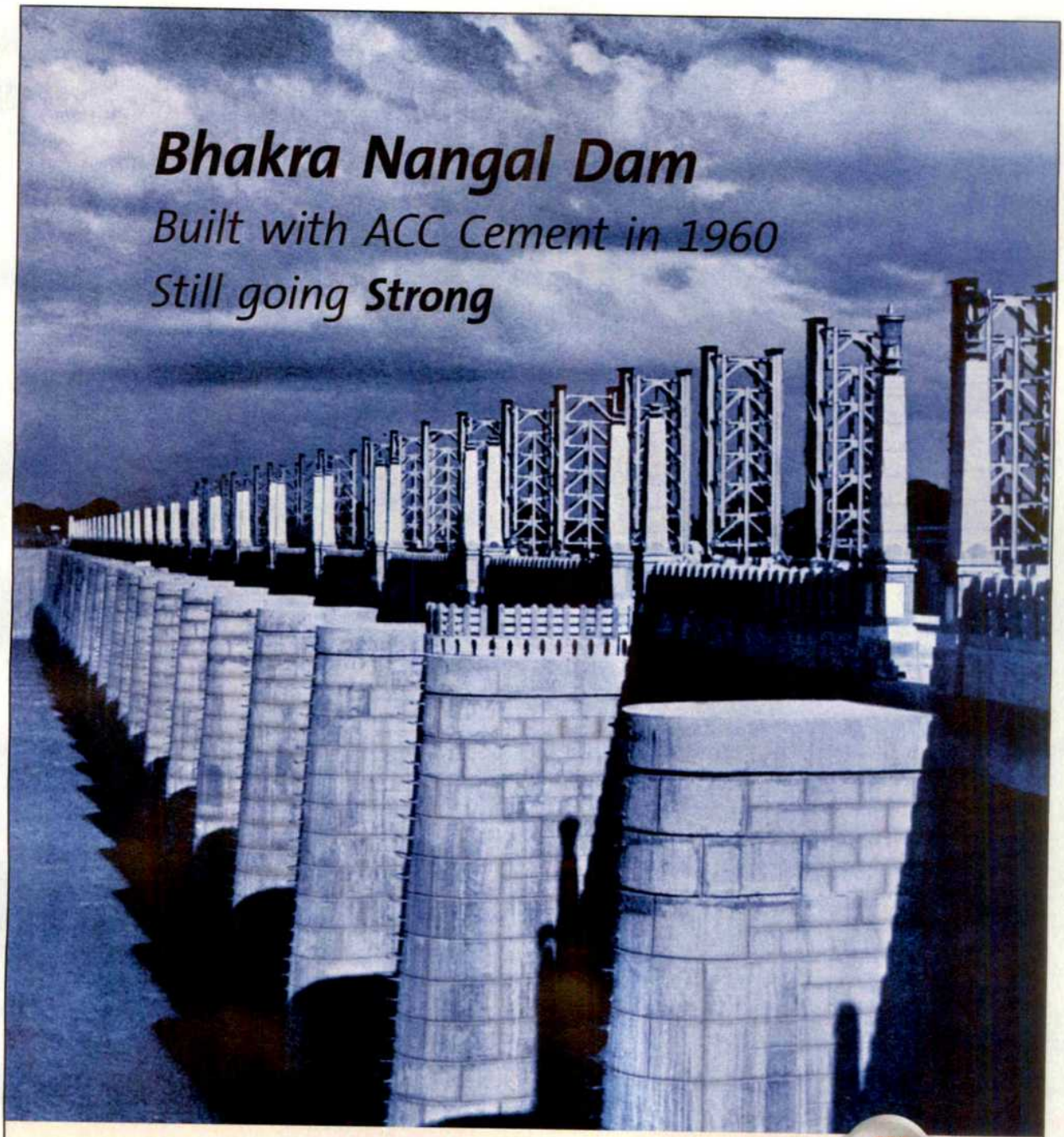
Number of employees	3,500
Number of people hired in 2010	1,124
Avg increment last year	12%
Rate of attrition	21%
Male, Female employee ratio	9:1
Avg training per employee in a year (hours)	16-80

Saumen Chakraborty, President and Global Head of Quality, HR & IT, is "to migrate to a transparent, role-based organisation where employees and managers can understand what is expected from them (have role clarity), know what it takes to move up and across (promotion and career movement), know the scientific process for getting talent inside (talent acquisition)".

Kewal Handa, Managing Director of Pfizer India, asserts that "there is no distance between the employees and me" and that the company has a culture of open communication and access to top management. At the frequent regional meetings of its field force, it is an open house with the top brass responding to some searching questions from the employees. Handa recalls how in the third week of December, at one such meeting, field staffers wanted to know why, despite Pfizer calling itself a science-based and research-driven company, it was launching a range of generic products instead of innovator products.

These companies have also chalked out their own unique initiatives to retain talent. Ranbaxy on a regular basis surveys the market reality globally and tries to keep its remuneration benchmarks above median levels. The appraisal systems, in addition to key result areas, or KRAs, incorporate Values in Action, which could include evaluating people on qualities such as people development. At Pfizer India the focus is now on talent development across levels through initiatives like management development programmes at Narsee Monjee Institute of Management Studies, Mumbai, and, for its best talent, at the Indian Institute of Management, Ahmedabad. Dr Reddy's says it is committed to building a "very women-friendly organisation".

All the three pharma giants have attrition rates much lower than the industry average. Clearly, for the moment, the emphasis on nurturing talent seems to have paid off.



With a legacy that's 74 years old, we are the oldest and the foremost cement company in India. Over a period of time we have evolved from being just a bag of quality cement to being an essential ingredient in millions of Indian lives. Be it mega structures that have become everlasting landmarks or just a simple house, we at ACC have translated our decades of experience and expertise to become a name synonymous with trust and confidence.

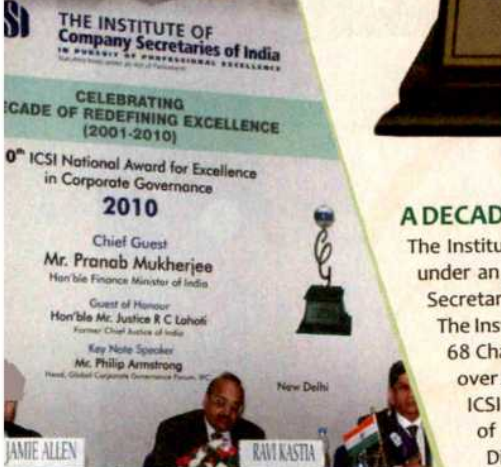
www.acclimited.com

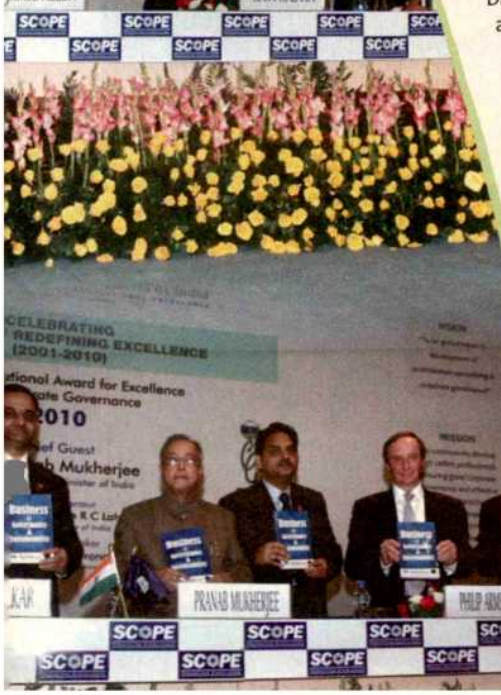
ACC 75 PLATINUM JUBILEE 2010-11

ACC Celebrates its Platinum Jubilee Year 2010-11

Build with confidence

ACC





10th ICSI National Award for Excellence in Corporate Governance

2010

Conferred by

Mr. Pranab Mukherjee

Hon'ble Finance Minister of India

A DECADE OF REDEFINING EXCELLENCE IN CORPORATE GOVERNANCE (2001-2010)

The Institute of Company Secretaries of India (ICSI) – a premier national professional body has been constitu under an Act of Parliament, namely the Company Secretaries Act, 1980 to develop and regulate the Comp Secretaries profession.

The Institute has its Headquarters at New Delhi, Regional Offices at Chennai, Kolkata, Mumbai and New Delhi 68 Chapters across India. Institute has about 26,000 members including about 4000 members in practice over 2,00,000 students pursuing the course.

ICSI is one of the first professional bodies in India to initiate discussion on "Corporate Governance" in the li of Cadbury Committee Report. In the year 1997, the ICSI organised a national seminar on Emerg Dimensions of Corporate Governance. The same year, ICSI organised its Silver Jubilee National Convent and 3rd International Conference of Company Secretaries on the theme 'Corporate Governance – Glo Perspective'. Since then it has undertaken research / studies on various aspects of Corporate Governa and has been engaged in capacity building of its members through Programmes / Seminars / Conventi covering various dimensions of Corporate Governance.

Keeping pace with developments in corporate environment, the ICSI as a responsible professional b took upon itself the task of promoting Good Governance in Corporate India by taking a numbe initiatives in this direction.

ICSI Initiatives on Corporate Governance

- ICSI National Award for Excellence in Corporate Governance.
- ICSI Life Time Achievement Award for Translating Excellence in Corporate Governance into Reality.
- ICSI Recommendations to Strengthen Corporate Governance Framework (many suggestions form pa Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs).
- Issuance of Secretarial Standards to harmonise diverse Corporate Secretarial Practices.
- ICSI – Centre for Corporate Governance Research and Training
- Founder Trustee of National Foundation for Corporate Governance (NFCG)
- Member of Investor Education and Protection Fund (IEPF)
- Founder Member of International Federation of Company Secretaries
- Founder Member of Corporate Secretaries International Association (CSIA)
- Member of Indo-UK Taskforce on Corporate Affairs
- Post Membership Qualification (PMQ) Course in Corporate Governance
- Directors Development Programmes.
- International Conferences on Corporate Governance.
- Investor Education and Awareness Programmes.
- Joint Programmes with OECD, GCGF (IFC – Washington), INSOL International, Cass Business School (Lon ICSA Singapore, ICSA Malaysia, CISI, CMDA (Maldives), etc. for furthering the cause of corporate governa
- Corporate Social Responsibility – Go Green Initiatives.

The ICSI National Award for Excellence in Corporate Governance, Instituted in the year 2001, is a major step by ICSI to identify, foster and reward the culture of evolving globally acceptable standards of Corporate Governance among Indian companies. The Award is presented to two best governed companies. The Award winning companies were selected by the Jury comprising a galaxy of eminent personalities representing the corporates, the banking sector, media, regulators, academia and industries associations. Hon'ble Mr. Justice R C Lahoti, Former Chief Justice of India was Chairman of the Jury.

To commemorate the tenth year of the award, a grand function was organised at New Delhi on December 16, 2010. **Mr. Pranab Mukherjee,** Hon'ble Finance Minister of India presented the ICSI awards. Mr. Philip Armstrong, Head, Global Corporate Governance Forum, Washington delivered the key note address.

The awards were presented to the following two best governed companies:

Dr. Reddy's Laboratories Limited **Larsen & Toubro Limited**

Certificate of Recognition was also presented to the other top five companies (in alphabetical order).

- **CMC LIMITED**
- **GAIL (India) Limited**
- **Oil and Natural Gas Corporation Ltd.**
- **Persistent Systems Ltd.**
- **Union Bank of India**

The Institute's publications and Souvenir commemorating the occasion were also released.

- Souvenir – Corporate Governance Award 2010
- Guidance Note on Board Processes
- Research booklet on Corporate Social Responsibility
- Booklet on Role of Company Secretaries
- Business @ Governance & Sustainability
- Research booklet on Independent Directors
- Booklet on Integrity
- A Guide to Company Secretary in Practice

R. PRANAB MUKHERJEE, HON'BLE FINANCE MINISTER OF INDIA, while addressing the gathering said that India has ccessfully weathered worst ever global economic crisis and attracted foreign investment. He emphasized that this growth mentum has to be accelerated through timely policy and governance initiatives. He emphasized that the governance is the t of business strategy and that CSR is part of the core business. While referring to incidences of mis-governance, Hon'ble nister said that no system is totally immune to misuse and therefore there is need for self regulation. The companies need balance the interests of different stakeholders. Speaking about the contribution of corporate sector in the growth of ian economy, Mr. Pranab Mukherjee said that business leaders are change agent and their contribution to the economy uld be appreciated and recognized. Hon'ble Minister appreciated the ICSI for institutionalizing this award.

. PHILIP ARMSTRONG, HEAD GLOBAL CORPORATE GOVERNANCE FORUM, IFC, Washington, USA emphasized t the enforcement of the governance practices should be consistent and effective. He also spoke about the anced role of independent directors in corporate governance. Enforcement of good corporate governance is a llenge and an unfinished agenda, emphasized Mr. Armstrong and explained that there is need for capacity lding and skills development to ensure that the enforcement is consistent, timely and effective.

lier, Mr. VINAYAK S KHANVALKAR, PRESIDENT OF THE ICSI, while delivering the welcome address said that od Corporate Governance has in recent times emerged at the forefront of the development agenda with a us on inclusive growth. Business ethics, as an integral part of governance edifice are not just moral issues, in long term, they are essential behavioural traits for the organisation that strengthen the brand equity and o ensure sustainable growth and competitive advantage.

N K JAIN, SECRETARY & CEO, THE ICSI while proposing a vote of thanks to the dignitaries informed that ndards of policies and practices of governance are going up in the Indian corporate sector and there is a ge in corporate governance movement that ICSI is modestly but strongly spearheading.

aking on sustainability, business ethics and integrity as pre-requisite for good corporate governance ling to inclusive growth, Mr. N K Jain spoke in detail about the research studies conducted and lished by the ICSI on the practices being followed by the corporates in India in respect of ependent directors and corporate social responsibility.

Award function was preceded by a PANEL DISCUSSION ON **"CSR - Mandatory or Corporate evolence"** & **"Demystifying Corporate Pyramids - A Governance Perspective"**. The Panelists for Debate included Mr. Y M Deosthalee, Chief Financial Officer, Larsen & Toubro Limited, Ravi Kastia, Group Executive President & Business Head, Aditya Birla Group, Mr. Jamie Allen, ctor General, Asian Corporate Governance Association and Mr. Jitesh Khosla, Additional Secretary Officer on Special Duty, Indian Institute of Corporate Affairs.

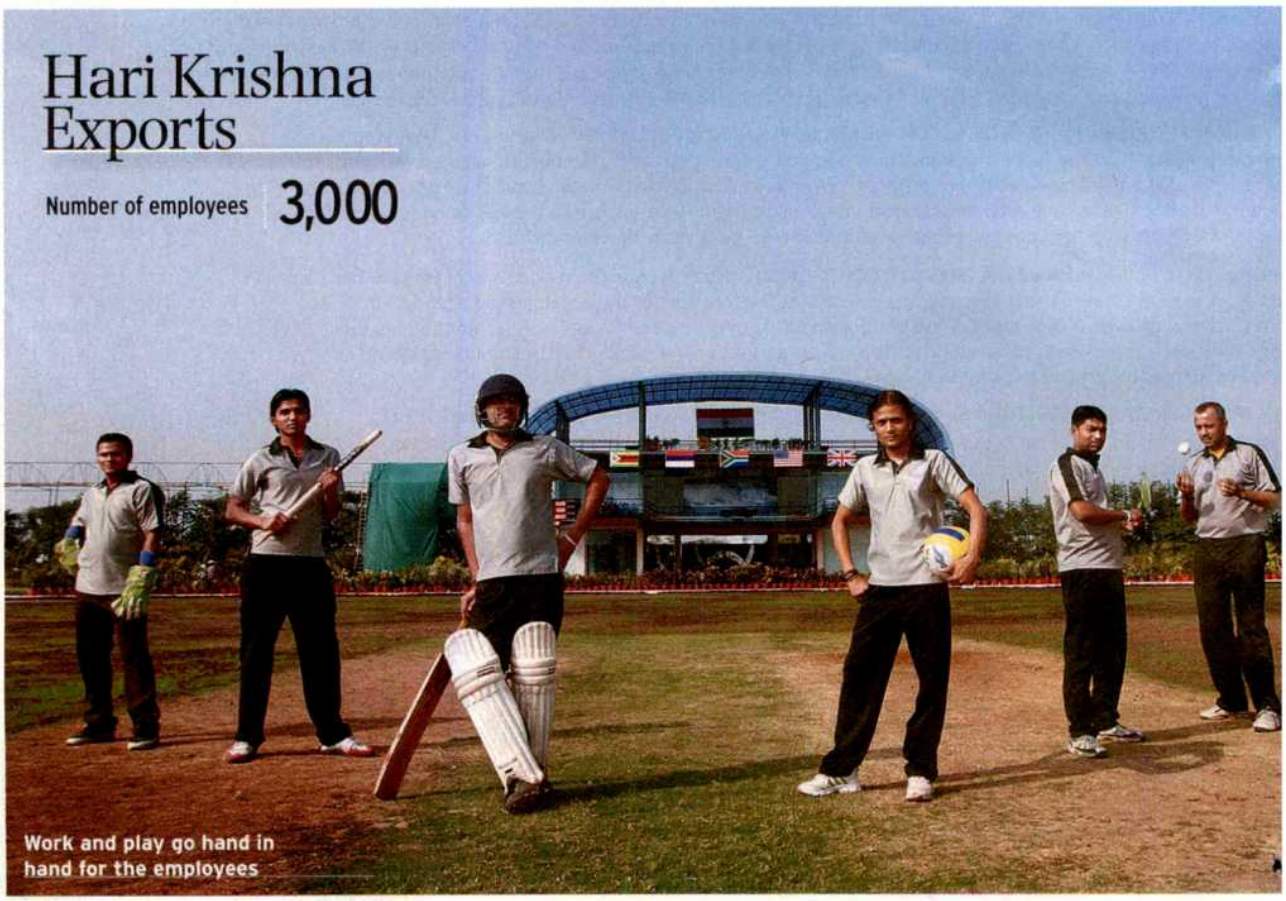
THE INSTITUTE OF Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003
email info@icsi.edu **website** www.icsi.edu

Undiscovered Gems

Three companies that have done unusual things to make the workplace irresistible without losing sight of profits

Hari Krishna Exports

Number of employees **3,000**



NISHIKANT GAMRE

Work and play go hand in hand for the employees

Spark to Sparkle

Employees at Hari Krishna Exports turn in a profit after taking time out for volleyball, cricket and the gym. BY RAJIV BHUVA

Simada on the outskirts of Surat, Gujarat's diamond city, is a landscape of rough roads and real estate projects. We are headed for Hari Krishna Campus, wondering why a diamond factory calls itself a campus. Our confusion is complete as we enter: the factory building seems to occupy just a sliver of the 105,000 sq.ft. plot. And there are young men playing cricket... Where are the diamond polishers?

We are guided to the "pavilion", where Savjibhai Dholakia, a partner in Hari Krishna Exports, sits in an office called the Think Tank.

"Sports play a vital role in improving skills and quality of output," says Dholakia. "Every employee should be stress free to give better output."

The new factory houses a cricket pitch, volleyball courts and a large pavilion. The employees at the new factory draw an average monthly salary of ₹35,000, which was just ₹10,000 around three years ago. Dholakia's target is to take the average earning to ₹1,00,000 by the end of 2012, without increasing production costs. Of course, he also expects that the happier employees will help increase the turnover by 50 per cent to ₹1,500 crore by then.

"We do not pay more than the industry," says Dholakia. "We just pay the worth we derive out of our employees," he adds. But there are a few things that Hari Krishna Exports does differently. All the 1,000 employees and their family members get a group medical insurance cover of ₹1 lakh. The company pays a total premium of₹45 lakh on this head.

The firm has a charitable trust that runs a hospital in Katargam, another diamond hub some 12 km from Simada, where it has its older factory with 2,000 employees.

Katargam has its own story. At the factory, actually an agglomeration of four buildings in a neighbourhood of narrow lanes, lunch time is a logistical exercise. The terraces of the four factory buildings are covered with tin shades and are used as dining areas, while the ground floor of the central building has a kitchen. There is a 'food only' lift that moves all the meals to the terrace of the central building. From there, utensils and food are loaded onto trolleys that are put on a "ropeway" linking the rooftops.

For the 2,000 employees drawing an average monthly salary of ₹15,000, one free meal a day is welcome. The industry pays its employees by the carat or weight of the stones they handle every day; by not having to go out for lunch, they can work more. The elaborate screening and checking of every employee entering or leaving the building also takes time. "This helps to save nearly an hour every day," says Dholakia.

Beyond food, the Katargam factory also has an auditorium, a library and a gym. The family trust runs an old-age daycare home in two of the buildings.

At Simada, on any given day, Dholakia has a backlog of 200 job applications on his table. In the time the *BT* team spent with him, he hired three people. Dholakia asks a 19-year-old: "What brings you here?" The boy replies: "A bright future." And it is not a cliché. Narendra Nawapara, 28, began his career at Hari Krishna Exports 10 years ago after completing Class IX. Today, Nawapara drives a Hyundai Getz to work.

How does the place treat him? "I have already spent 10 years here and I do not rule out putting another 30 here," says Nawapara, a volleyball enthusiast who spends two hours on the court every evening.

> The company does not pay more than the industry: it attracts and retains talent with unmatched access to sports and food

Work Made Fun

The company makes it its business to keep the minds of its people sharp. BY E. KUMAR SHARMA

> The games are designed to test the employees' knowledge of the financial markets, instruments and operations

It has its own Formula One racing. Only, this Grand Prix, called the B1-Broadridge Grand Prix, is a yearly endeavour to encourage the passion and understanding of business knowledge within Broadridge Financial Solutions (India).

The Indian subsidiary of Broadridge Financial Solutions, Inc., a leading provider of technology-based outsourcing solutions to the financial services industry, has quiz exercises. Complete with teams that have their own driver, and coach, and pit stops and tracks and trophies, the Broadridge game tests its employees' knowledge of markets, instruments, identifiers and brokerage operations.

Early last year, the company had its own TPL, or technology premier league, modelled on cricket's Indian Premier League, or IPL, to engage software developers.

Broadridge does not keep just its employees engaged. Its work-life integration goes the extra mile to sharpen the minds of their children as well. The company offers CORT, quickspeak for Cognitive Research Trust, a certification programme from the Edward de Bono thinking system, to all children in the 8-14 age group. They get to attend workshops that help them think logically yet creatively.

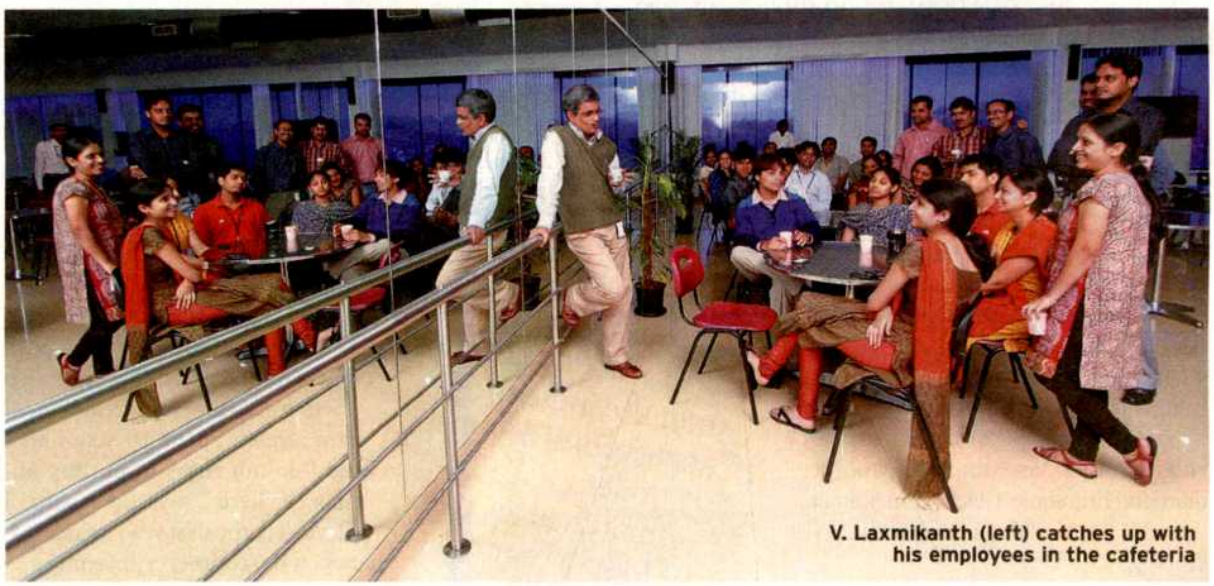
In 2007, Broadridge decided to fund a ₹1.2 crore programme over three years for a bridge camp operated by the MV Foundation, a not-for-profit organisation run by Dr Shantha Sinha, a Magsaysay Award winner. The Foundation works towards the eradication of child labour.

"Since October 2007, we have been able to put at least 150 children back in the mainstream," says V. Laxmikanth, Managing Director of Broadridge Financial Solutions (India). The children were taken out from their places of work, put into government schools and their progress tracked.

Laxmikanth, or VLK, as he is referred to within the company, says the work-life integration and employee engagement initiatives have helped retain talent. "Starting out as a Broadridge subsidiary in India three-and-a-half years ago, over 60 per cent of our headcount has been with us for more than three years and our customer retention has been 98 per cent," he says.

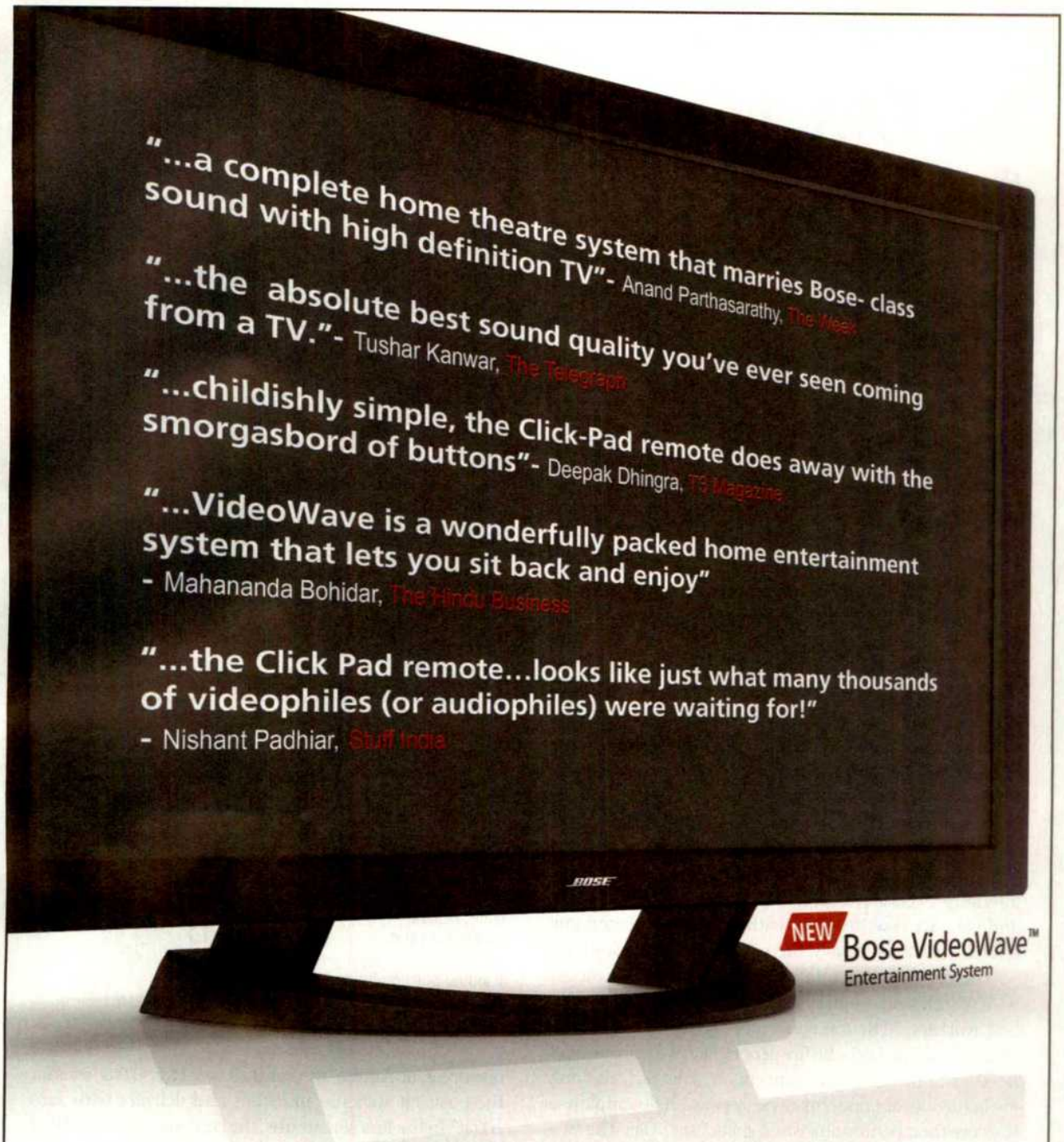
Broadridge Financial

Number of employees	1,100
Number of people hired in 2010	300
Customer retention	98%
Male, Female employee ratio	3:1
Training per employee in a year (hours)	40



A. PRABHAKAR RAO

V. Laxmikanth (left) catches up with his employees in the cafeteria



"..Bose has done something truly spectacular"

- Tushar Kanwar, The Telegraph

The new Bose Click Pad Remote.

Visit your nearest Bose® Store for an experience we believe you will never forget!
Available in select cities - Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Kolkata
For store locations, call 1-800-11-2673(BOSE) or log on to www.Boseindia.com

©2010 Bose Corporation. Please quote the reference no. BT11-07

BOSE®
Better sound through research®

No Different from the Best

The differently-abled are the engine of growth at this company. BY E. KUMAR SHARMA

Javaraiah Siddaiah was just 28 when he joined Vindhya e-Infomedia, a business process outsourcing, or BPO, company, as a data-entry operator and as one of its first 10 employees in 2006. Today, in the high-attrition BPO industry, the differently-abled Javaraiah is still with the company. He handles a team of 45 and looks after a process that accounts for 30 per cent of the Bangalore-based company's revenues.

Javaraiah, as he is better known, is not alone: the differently-abled account for 95 per cent of the staff of over 180. "Of the 23 employees who joined us in the first year, 17 are still with us," says D. Ashok Giri, Founder and CEO.

Giri and his wife Y.S. Pavithra, the Managing Director, founded the company. Their focus was on hiring differently-abled people. First, regular employers ignore this segment. Second, good talent can be found here to run a for-profit business. Says Giri: "We hire people from different sources. The selection process is divided into three rounds. The first thing we look for is attitude... if a person has an attitude to do something in life, he can achieve anything. Second, we look at skills such as typing speed, and we have a written test with English and computer-related questions. Finally, there is an interactive session."

Giri runs Vindhya e-Infomedia like a regular business, with weekly and monthly performance incentives for the best workers. "The top performers get a cash prize and recognition." But does he fire people, like in a normal business? Just one or two since inception, says Giri, and only for behavioural concerns. "We try and help employees improve their performance and skills," says Giri. The two-storeyed office was designed for the differently-abled.

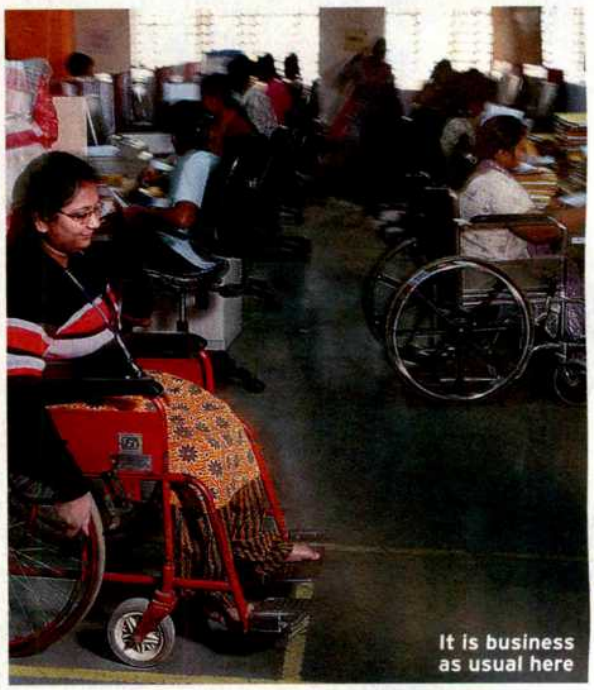
Giri says the opportunity given to them cements the emotional bonding with the company. "For more than 90 per cent of our employees, Vindhya is the first workplace... The loyalty factor plays a very important role among them. Also, being with others and helping them to cope and mentoring the new recruits helps," he says.

All this has translated into good business. Giri claims it has doubled each year. "From a turnover of ₹7 lakh in our first year, 2006-2007, we hope to touch ₹2.5 crore this year," says Giri. Among his major clients are Wipro, MindTree, IndusInd Bank, Ujjivan and Janalakshmi.

MindTree has been working with the company since mid-2009. Says Sindhu Subhashini, head of human resources, or Anuka, the Sanskrit word MindTree uses for the post: "It sticks to timelines and delivers with zero error." In the first six months, the company digitised all of MindTree's employee records. Now, it works 15 days a month to handle the digitisation of records of new recruits.

Says Abhijit Ray, Director and Co-founder of Unitus Capital, who has known the company for the last 18 months: "Their business model addresses both commercial and social needs and yet is successful with timely delivery and quality. The company also stands out in the way it treats its employees, particularly the rural manpower that it hires and brings into the mainstream."

Giri says he would like Vindhya to be a 5,000-people company five years from now, specialising in processing documents for microfinance institutions as well as for banking, financial services and insurance, apart from HR-related services. "We are sufficiently funded," he says. ◆



It is business as usual here

DEEPAK G. PAWAR

Vindhya e-Infomedia

Number of employees	187
Number of differently-abled employees	170
Rate of attrition	10%
Male, Female employee ratio	4:6
Training per employee in a year (hours)	100

Smarter business for a Smarter Planet:

What 1.3 million transactions per second means to this car.

It means the likely buyer of this car has already been pinpointed. Acxiom, a global leader in marketing services and technology, is working with IBM to help 9 of the top 10 car manufacturers, as well as companies in every major industry, to efficiently mine over 7,000 databases to give them deep insights into their customers. The IBM System x® with Intel® Xeon® processors forms the core of the solution, allowing Acxiom to consolidate 9,360 disparate systems into a mere 264 eX5 systems without sacrificing performance. A smarter business is built on smarter software, systems and services.

Let's build a smarter planet. **ibm.com/car/in**

IBM

Data visualisation showing propensity of different groups of people to buy specific models of cars.

intel Xeon inside

Powerful. Intelligent.

The client example cited is presented as an illustration of the manner in which this client has used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics will vary depending on individual client configurations and conditions. Contact IBM to see what we can do for you. Acxiom Corporation is the provider of the data simulated for the purpose of visualisation of the performance of client's products/services. No actual consumer or business information was used as part of such simulated data. IBM, the IBM logo, ibm.com, System x, Smarter Planet and the planet icon are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at www.ibm.com/legal/copytrade.shtml. Intel, the Intel logo, Xeon and Xeon inside are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries. © International Business Machines Corporation 2010. All rights reserved.

How We Did It

8,634 Respondents

Ten is a significant age for a survey. *Business Today's* annual exercise of finding *The Best Companies to Work For* turns 10 with this edition. After completely overhauling the methodology in the summer of 2009 to make it "by the employee and of the employee", we have tried to fine-tune it further this year. So, along with our survey and knowledge partners, we tried to capture not just the overall ranking of 25 companies and a sector ranking of 10 each for nine sectors but also the human resource facets of the Indian workplace. Critical views from the employee universe, too, were captured in some detail. For instance: What factors do employees consider important in a workplace? What makes a company attractive to its employees? What demoralises them? What upsets them enough to make them contemplate a job change? Are they satisfied in their current role? If not, what can organisations do to address the factors they are dissatisfied with? Do they believe the senior management of the company adheres to ethical values? Read the answers elsewhere in this cover story package starting on page 36.

350 Cities and Towns

We partnered with Indicus Analytics for designing and conducting the survey. For helping us interpret the results, we partnered with PeopleStrong, an HR consultancy firm.

First things first. The BT-Indicus Analytics-PeopleStrong survey is a perception-based one. What this means is that companies make their way into the survey simply because Indian workers want them to be there. Only employees — not students and those not working — were allowed to take part in the survey, which was conducted between August and October 2010, and was open for about 100 days. From 1,000 companies last year, the universe of this year's survey has expanded to 3,700 companies across 350 cities and towns. We reached out to a large employee base again this year (over 8,600 employees).

The Approach: An online survey allowed employees from different kinds of companies to participate and express their views. Online research is known to get more honest opinions. Mailers and other forms of communication were sent to randomly selected 1.5 million possible respondents, out of which about 70,000 (4.7 per cent) came to the survey page. Of these, 8,634 (12.3 per cent) respondents filled out the questionnaire. These respondents, 11 per cent of whom were women, were truly representative of the great Indian workplace (see graphics). Data authenticity was ensured in two ways: a) the

Region Spread

3,700 Number of Companies

Top cities in terms of respondents

Respondents' profile

89% Male	58% Less than 29 years	23% More than 35 years	19% Between 30 and 34 years	13% More than 15 years of experience	42% Less than 4 years of experience	23% 5 to 7 years of experience	22% 8 to 15 years of experience	9% Non-graduates

Team Indicus Analytics (Left) and Team PeopleStrong

questionnaire design itself had built-in verifications that reject responses with contradictory/ incomplete information and; b) a verification back-check of about 20 per cent of the accepted responses. Overall rejection was under 5 per cent.

No one company or a set of companies dominates the sample. No company had more than 30 respondents, and only eight companies had more than 20. The bulk of the companies had only one or two respondents.

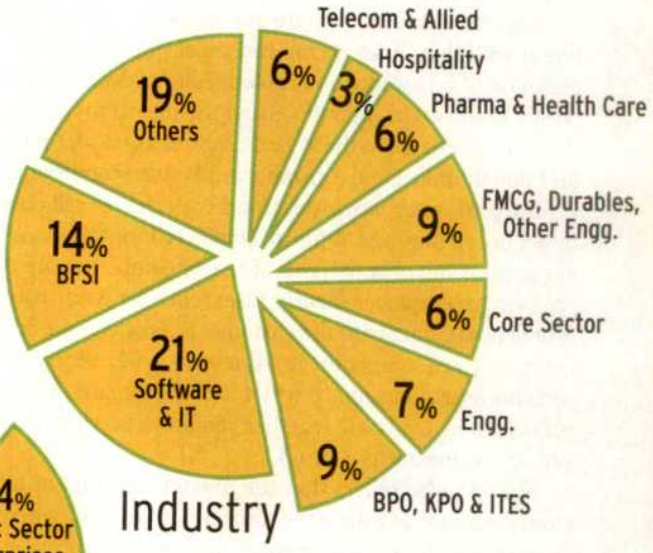
The Ranking: Survey respondents were asked to select and rank five companies, which in their opinion were the best to work for across industries or sectors. The respondents were then asked to rank these five companies on five parameters — career growth prospects, financial compensation, work-life balance, performance evaluation and other HR practices. The rankings for each of these parameters were restricted to three companies.

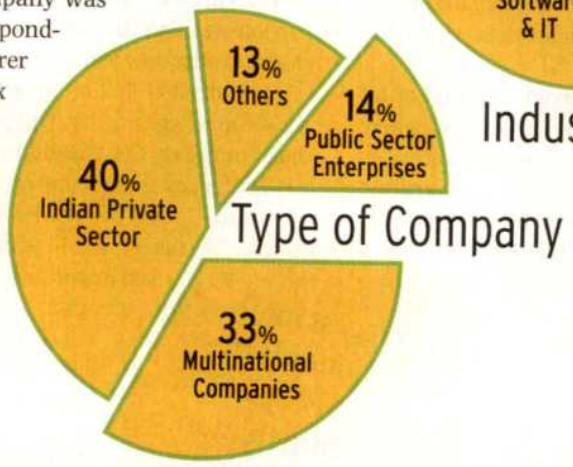
The ranking of companies within a sector was restricted to people working in that specific industry. Again, each respondent was asked to rank the top five in that industry on each of the above-mentioned parameters with the ranking then whittled to three companies.

The final list of best companies to work for overall and within each sector was based on rank scores. Following what statisticians call the 90 per cent rule, Rank 1 got a rank score of 100, Rank 2 received 90, Rank 3: 81, Rank 4: 73 and Rank 5 translated into a rank score of 66. The rank score for each company was aggregated across all respondents and the highest scorer was assigned an index score of 100. Other companies were ranked relatively based on their aggregate scores. This method of scoring and indexing is considered robust in statistics.

This is the second year of the survey in its new avatar. Our aim was to make the *BT Best Companies to Work For* study bigger and comprehensive. ◆

For more details on the methodology, log on to our website
www.businesstoday.in/bestcompaniestoworkfor





1,094
982

50% Graduates	41% Post graduates	60% Single income households	28% Double income households	12% More than two earning members	6% Salary more than ₹12 lakh	66% Salary less than ₹4 lakh	7% Salary between ₹8-12 lakh	21% Salary between ₹4-8 lakh

PANKAJ BANSAL

Build HR Strategy Around the Brand

An unspoken truth well known in the human resources community is that "often, the most admired companies may not be the best companies to work for". A brand is not about the creatives or a logo alone, it is much deeper than that. It is what you say through each and every communiqué, every policy and the way you drive the business.

If this is true, then why should we not apply this to an employer brand as well? It is time that HR thought of converging and synchronising the messages of an employer brand with that of an overall consumer brand. With the explosion of knowledge and choice, today's talent very explicitly expresses its aspirations and the means to achieve these. Surveys such as the *BT Best Companies to Work For* reflect that the talent and consumer markets are converging.

Integrate your employer brand with the overall customer brand message. A future employee is not just looking at what you offer in terms of role or compensation. A prospective employee clearly researches on what your overall positioning with the customer is, how you are better than your competitor in all respects, whether your personal aspirations match with the overall organisational portfolio and, above all, whether you are delivering what you are promising as a brand.

Surveys also reflect that the maximum recall of an employer brand is within the same target segment where the customer brand is addressing the communication — clearly reflecting the fact that both are converging. Employees are more willing to work with brands that they identify with — which suit their personality and their overall vision about themselves.

Wipro and Tata have a diversity of brands under their portfolio, drawing mass appeal to all age groups. Microsoft and Google, true to their brand definition, are more liked by a metro audience — yippy and below 30 years of age. Hindustan Unilever and Tata Motors, given their sturdy and stable brand image, appeal more to respondents from Tier-I and Tier-II towns in the age group of 30 to 35 years.

Today, HR and business are aligned. Then why not align employer and business brands? At the end of the day, if they are not same, they are not different either.

The Nexgen Employee

Enough has been written about the perceptions and aspirations of GenY, which, looking at facts, appears quite far fetched when compared to reality.

This enigmatic workforce, with an average age of around 24, is seen to be lazy, with poor work ethics and very individualistic and money-driven. *The Best Companies to Work For, 2011*, survey has exploded these myths and thrown at us a different reality. The same generation would love to work with companies that are not big in size, companies that help them maintain a work-life balance and connect to the overall purpose of the organisation.

Because of the level of education, GenY believes its work should have meaning. More than ever, this generation is seeking opportunities which do not just make them another employee number, but give them work with an overall purpose. The highest contributing factors to stay in a job are opportunities to grow through career progression and adequate learning opportunities.

The need to balance work with personal goals is the second-biggest factor. This population is a work-life balance enthusiast. GenY wants to work smarter, not harder.

The biggest myth is that money is the sole driver. People aged 25 and below who are at the beginning of their careers and in growing organisations, attach less importance to compensation and benefits than to a conducive work culture.

It is time that employers realise this shift and differentiate in the way they deal with this workforce.

> The biggest myth is that money is the sole driver. People 25 and below attach more importance to a conducive work culture than compensation

Entrepreneurial Vibe

India is witnessing an unprecedented interest in entrepreneurship. From the point of being considered "good for nothing", entrepreneurship

ELECTRONICS AND COMMUNICATION ENGINEERING PROGRAM OF

SRM UNIVERSITY

IS FIRST IN INDIA TO GET ACCREDITED BY

THE ENGINEERING ACCREDITATION COMMISSION OF

ABET

111 MARKET PLACE SUITE 1050 BALTIMORE MD 21202-4012 USA

Moment of Pride

It is indeed a moment of pride for SRM University and its faculty, students, parents and alumni, to become the first University to get an ABET (Accreditation Board for Engineering and Technology) accreditation for B. Tech, Electronics & Communication Engineering.

ABET is the most respected accreditation organization in the U.S for over 75 years. ABET accredits programs at more than 600 colleges and universities worldwide.

SRM University, in recognition of its excellence in higher education and research, was ranked India's No.1 Multiple Streams University (Engineering and Medicine) in 2009 by The Education Times – GfK Mode Study, joining the league of IITs, NITs and AIMS.

And now, SRM has joined the league of world's best universities by securing the prestigious ABET accreditation in 2010.

SETTING TRENDS | INVENTING THE FUTURE

For more details please visit www.abet.org and www.srmuniv.ac.in

TCC | tccgroup.net

25 years of enlightening lives
SRM UNIVERSITY Since1985

SRM UNIVERSITY
(Under section 3 of UGC Act 1956)
Kattankulathur, Kancheepuram Dt., Chennai

has come a long way, to almost being celebrated. This has been made possible due to the change we are seeing in our cultural value system.

Culture is of great importance to entrepreneurship, because it determines the ethos of people. It trains people along particular lines. It conveys a sense of identity. It enhances social system stability. It creates enterprising and risk bearing people.

The survey is a clear reflection of this. Employees aged 30 and below want to work and grow with organisations that are small and mid-sized, and are in sunrise sectors. Employees want to work with organisations that provide newer roles or opportunities to learn and experiment in the same roles.

India now has its own bunch of angel investors, showing that the entrepreneurial ecosystem is coming of age. India's big growth is fuelled by the small and mid-size segment. Indian entrepreneurs are today looked at with a lot of respect. People are moving away from just a trader-entrepreneur mindset to a scale-entrepreneur mindset — where an entrepreneur is raising funds and building path-breaking business models.

This growth of the entrepreneurial ecosystem is also helping the workforce to see these organisations as an important part of the employer segment. You now have enough "Brave New World" ideas and "faster, better, cheaper" models to explore in business.

RAJAT BARAN

Sifting Through the Talk

In last year's study, we discovered that it is not the supervisor that people leave. This year's study has exploded the myth of compensation and benefits being the primary driver of change.

Aspiration: When the Indian workforce talks about the "best companies to work for", they aspire for idealism; an organisation would be a fantastic place to work for if there was a culture of meritocracy and transparency and a culture that promoted work-life balance.

Perception: However, when it came to thinking on what will make them change a job, the highest contributing factor was a "Good Role" followed by a combination of two factors — "Compensation and Good Work Culture".

Reality: When we asked people about their current job (reality), 60 per cent were satisfied in their current roles. People who are not satisfied are looking at both "Compensation" and "Good Work Culture". Better compensation is really an outcome and not the trigger for a change.

We will have to look into the prism of "Reality" through "Perception and Aspiration" — when we gauge the three of them in one go, "Good Work Culture" with "Opportunity of Learning" is what people are asking for, and not higher "Compensation & Benefits", which is a common belief. Let us not misconstrue the end as the means.

So What's the HR Mantra to Chant?

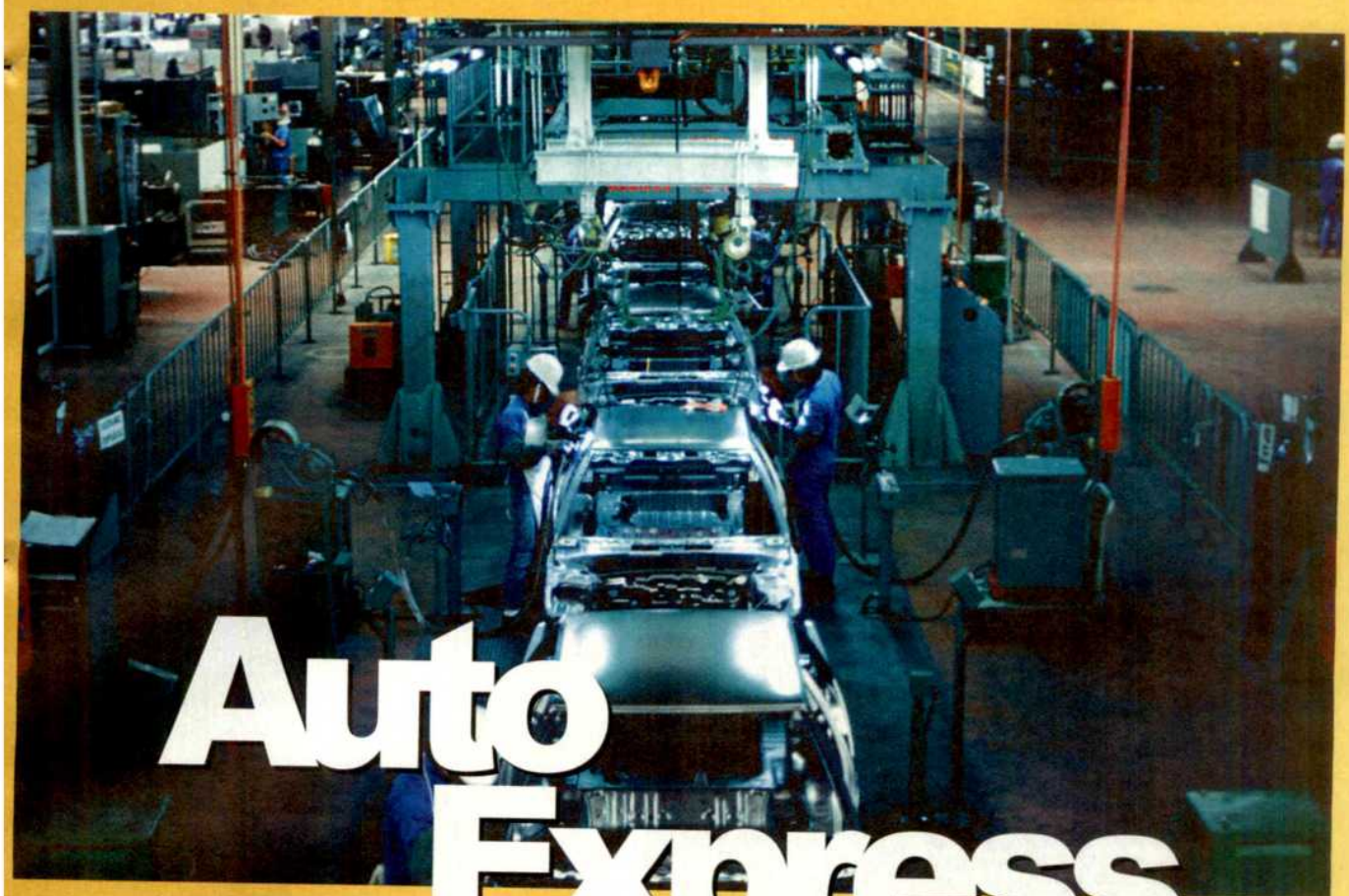
HR finally has come from backroom to boardroom, and has truly started playing the business enabler role. This has been made possible through building deeper understanding of business issues, automating HR and quantifying its basic functions. However, the changing regulatory framework and highly inconsistent demand-supply market has thrown new challenges for HR. It has to undergo fundamental changes both in terms of structure and delivery. HR heads have been redesigning teams to enable such an HR transformation. However, business is still giving a lukewarm response to it.

Transformation is not about another role change exercise in the organisation. This needs to be purely an outcome and result-oriented initiative, rather than just a role redesign of HR. Typically, this initiative is still driven through an "internal focus" approach, rather than by results to business.

HR teams need to be more oriented towards a solution-designer role rather than contracting out the thinking work, merely focusing on operational and transactional roles. Rather than defining roles and designing initiatives for business, the opposite needs to be done. Define business outcomes HR would deliver and then restructure HR roles, tools and service delivery. HR teams have to be better programme managers and implementation champions. The new portfolio and designations might look like "Workforce Productivity Enhancement Manager", "Sales Force Transformation Champion", "Compliance Manager", "Talent Supply Chain Manager" or other roles for cost optimisation and improving the quality of the workplace.

By developing a clear understanding of business needs and construct the framework on top of that, the agenda for transformation will not only take off but surely show visible and early results as well. ◆

The writer is Co-founder and CEO, PeopleStrong



Auto Express

To make cars, you rely on specialists every step of the way.
To deliver critical components, shouldn't you do the same?

A dealer needs a critical spare part to fix a customer's car. Both depend on you to help them out.

Which is why TCI XPS offers you customized express delivery solutions of the highest professional standards by leveraging its experience, national and global network with connectivity through Air, Road & Rail and state-of-the-art infrastructure:

- Door-to-door service
- 13,000 delivery locations across India
- State-of-the-art tracking system
- 550 computerized offices
- A workforce of 3000 people
- International deliveries to 203 countries

MONEY BACK GUARANTEE

*Conditions apply

Assured delivery within 24 and 48 hours to a choice of 150 locations across India – or your money back!*

TCI XPS

EXPRESS DISTRIBUTION SPECIALISTS
Air | Courier | Surface

A Division of Transport Corporation of India Limited

IATA | TÜV

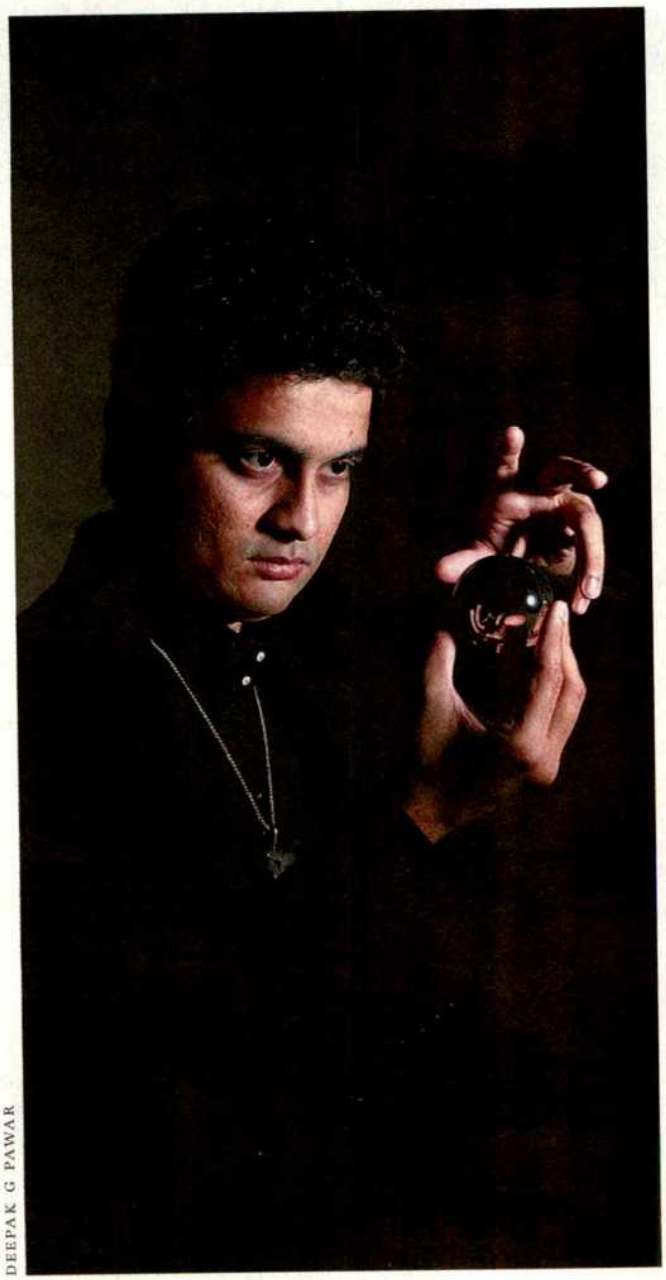
Only Express Company in India to be IATA and ISO Certified

Toll Free No. 1800 1800 977

www.tcixps.com email: info@tcixps.com

Yabba Jobba...

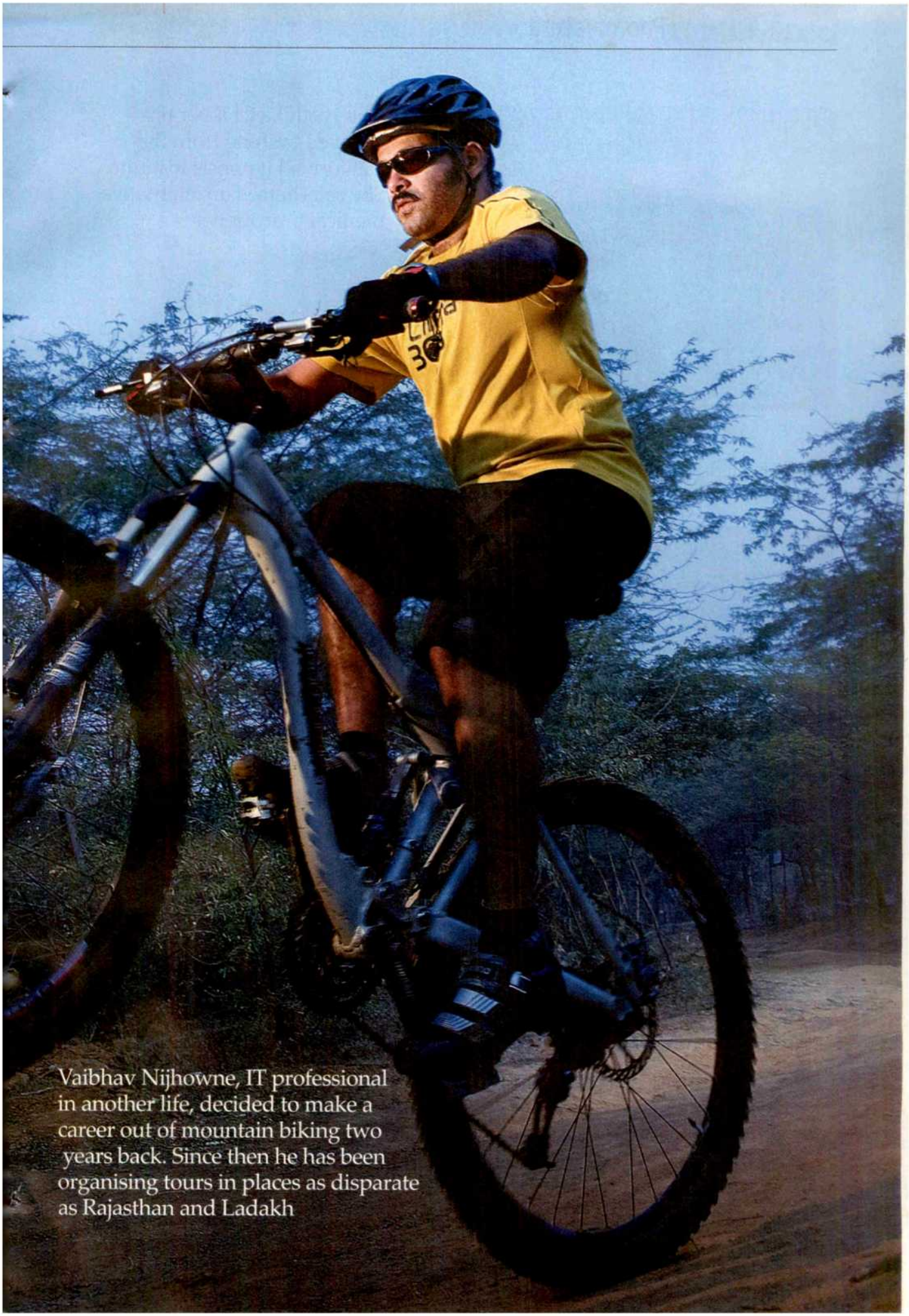
... doo. Bored with a regular job? Take a look at some "alternative" occupations for the thrills they offer



DEEPAK G PAWAR

◄No, he doesn't pull rabbits out of hats. But Nakul Shenoy does try to read the minds of his audience — across Wipro, HP, Cisco and other tech companies

SAPTARSHI BISWAS

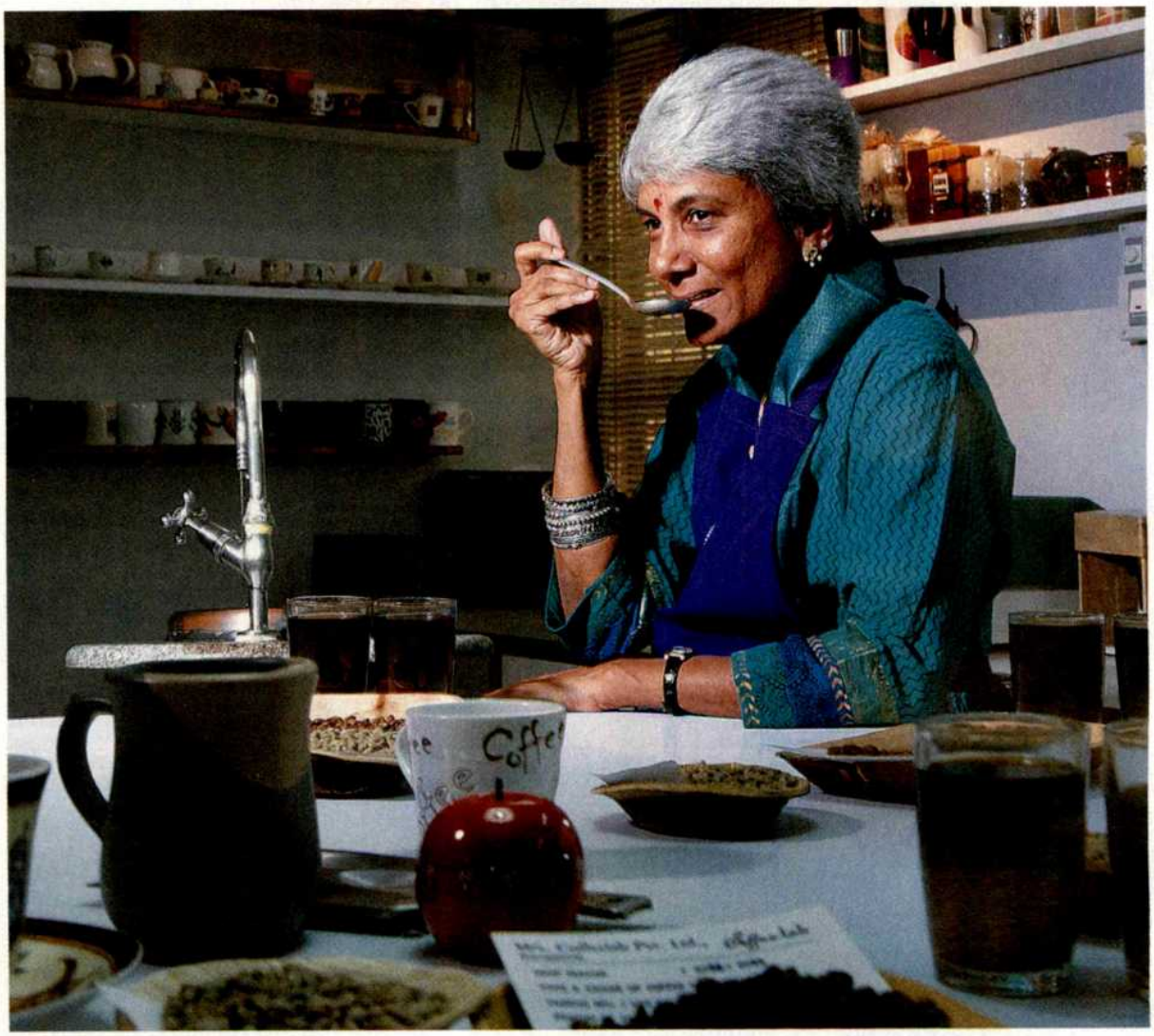


Vaibhav Nijhowne, IT professional in another life, decided to make a career out of mountain biking two years back. Since then he has been organising tours in places as disparate as Rajasthan and Ladakh

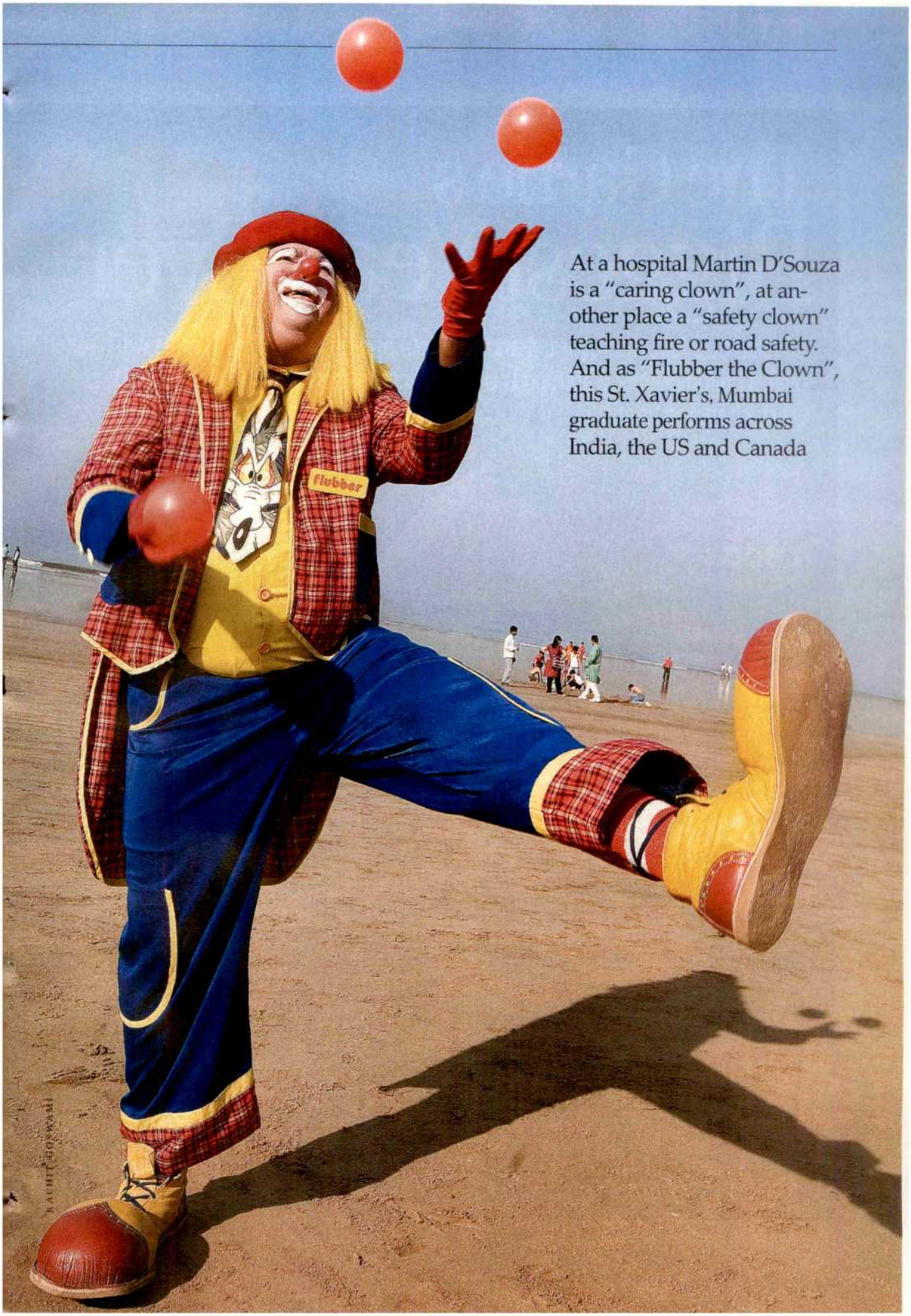
RACHIT GOSWAMI

◀Dr Jyothika Chibber has received training from the California Hypnosis Institute. She calls herself an alternative medical practitioner

Sunalini Menon, founder of Coffee Lab in Bangalore, has been tasting coffee since 1971. How does she go about it? "I take a sip, roll it in the mouth and spit it out"



DEEPAK G PAWAR



At a hospital Martin D'Souza is a "caring clown", at another place a "safety clown" teaching fire or road safety. And as "Flubber the Clown", this St. Xavier's, Mumbai graduate performs across India, the US and Canada

The Game's Biggest Year Ever

A World Cup followed by IPL-4 and a couple of high profile Test series will have over a billion people watching the game across the world — and ₹7,000 crore changing hands. BY T.V. MAHALINGAM & ANUSHA SUBRAMANIAN

For connoisseurs of the game, the last day of the Cape Town Test, January 6, 2011, epitomised what Test cricket is all about. Team India, faced with an insurmountable target, played out for a draw as the South African bowlers led by fire-breathing Dale Steyn hurled short-pitched deliveries at Indian ribcages.

Even as the Indian batsmen ducked and weaved, 8,000 kilometres away, some of their former teammates — Parthiv Patel, Mohammad Kaif, Murali Karthik and Irfan Pathan — walked down a makeshift ramp. It was an event to announce the launch of value retailer Big Bazaar's merchandise for the International Cricket Council or ICC World Cup. The ICC is the game's governing body.

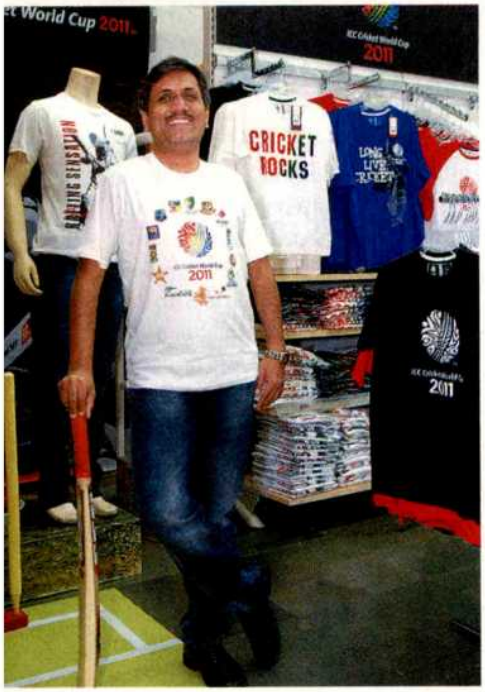
For the 10-minute "appearance" and a 10-yard walk down the elevated platform, the cricketers would have pocketed a couple of lakh rupees each — not a fat sum, considering what cricketers make these days. But barely 48 hours later, on January 8, Delhi Daredevils picked up Irfan Pathan at an auction for the fourth edition of the Indian Premier League or IPL for ₹8.74 crore. Within a day, the others, too, were picked by various teams for sums varying between $130,000 (₹58.5 lakh) and $400,000 (₹1.8 crore).

The great Indian cricket tamasha of 2011 kicked off in style for these cricketers. And with back-to-back big-ticket tournaments, the ICC World Cup and IPL-4, lined up, it can only get better. Over $1.5 billion worth of commerce (see graphics on the opposite page) is likely to happen around these tournaments, making it the biggest year for cricket ever.

According to analysts, the bulk of this, about $1 billion, will be in the form of sponsorship revenue and TV rights for both tournaments. About ₹1,000 crore is being spent on refurbishing stadiums in the Indian subcontinent. "In India alone — the World Cup will also be played in Bangladesh and Sri Lanka — the amount spent is ₹750 crore," says Board of Control for Cricket in India, or BCCI, Secretary N. Srinivasan. "This includes sprucing up of stadia in Chennai (₹180 crore), Mumbai (₹250 crore), New Delhi (₹100 crore) and Kolkata (₹60 crore)." A brand new stadium is being built in Nagpur for ₹100 crore, he adds.

In return, the ICC will pay local cricket boards $750,000, (₹3.3 crore), for every match hosted, says Ratnakar Shetty, Tournament Director for the 2011 World Cup. "We expect over a million people to watch matches in stadiums during the World Cup," says Campbell Jamieson, General Manager, ICC. Including IPL, calculations reveal that over ₹400 crore worth of tickets will be sold between February and July in India alone.

Players are also charging a lot more. "Even younger players like Virat Kohli and Suresh Raina are asking for ₹20 lakh to ₹30 lakh for a short-term (year-long) brand endorsement deal. They know that with these big tournaments coming up, companies are desperate to add brand ambassadors and shoot commercials," says the CEO of an FMCG company. Industry watchers point out that in 2011 alone Indian players are expected to make upwards of ₹100 crore in brand endorsements. Add to this the nearly ₹500 crore that IPL teams will pay as salaries to players, coaches, consultants, managers and you might think that cricket these days is less about runs and more about the money.



"We hope to sell a million units of merchandise during the ICC World Cup"

Sanjeev Agarwal, Joint CEO, Big Bazaar

For those keen to ride on the cricket wagon, the sheer scale of the game is the biggest attraction. Consider, for instance, sports merchandising, which has not been a success in India because of high price points. "How many Team India jerseys can you sell when you price a unit at ₹2,500?" asks an industry watcher. But that might change with Big Bazaar bagging the contract to be the ICC World Cup's official merchandising partner. "We hope to sell a million units of merchandise during the ICC World Cup," says Sanjeev Agarwal, Joint CEO, Big Bazaar, whose range of World Cup clothing starts at ₹199.

Also, with the ICC World Cup being broadcast in high definition, or HD, format for the first time ever, electronics companies are expected to launch marketing campaigns to push LCD models. "The LCD TV market is doubling year-on-year anyhow. The cricket season might just add to that growth," says L.K. Gupta, Chief Marketing Officer, LG India. The company, which has a marketing budget of ₹800 crore, spent just ₹45 crore to ₹60 crore around cricket-related events in 2010. "In 2011, we expect to spend ₹80 crore to ₹100 crore in marketing and advertising expenses related to cricket," adds Gupta.

Similarly, Castrol India COO Ravi Kirpalani estimates that a fourth of the company's ₹150-crore marketing budget will be spent on cricket this year. This includes a two-year brand endorsement deal with star batsman Sachin Tendulkar. Even though Castrol officials refuse to comment on the size of the deal, market watchers told *BT* that Tendulkar would have charged between ₹8 crore and ₹12 crore.

The World Cup Hoopla

Both Castrol and LG have long-term sponsorship contracts with ICC, which will give them in-stadia visibility until 2015 at ICC events of their choosing, including the ODI World Cup, T20 World Cup, and the Champions Trophy. In fact, the ICC has inked similar long-term sponsorship contracts with 10 companies, including Reliance Communications, Pepsi, Hero Honda, Reebok and MoneyGram. Market watchers point out that the deals, signed in the last three years, vary anywhere between $10 million and $100 million depending on the duration and depth of the engagement. Such contracts, along with television rights for ICC events, which ESPN Star Sports bagged for $1.1 billion for nine years in 2006, form the bulk of ICC's revenues. Analysts expect the ICC to pocket ₹1,500 crore from market-

World Cup Vs IPL

The 20-20 format is more popular.

MATCH	ICC WORLD CUP '03	ICC WORLD CUP '07	IPL '09	IPL '10
Semi Final 1	32	33	36	48
Semi Final 2	37	35	38	44
Final	42	34	43	49
Cumulative Reach (all matches)	60	113	122	143

Figures represent viewership size, in millions Source: TAM Peoplemeter System
Market: All India Target Group: cable satellite viewers, 4+ yrs; Channels: MAX, DD 1, SAB

ers and TV rights from ESPN Star Sports this year alone. ICC refused to comment on revenues.

The World Cup and the IPL together are expected to rake in over ₹1,500 crore worth of revenues for their respective broadcasters — ESPN Star Sports (ICC World Cup) & SET MAX (IPL), according to Prasanth Kumar, Managing Partner (South Asia) at GroupM Central Trading Group, India's largest media buying entity. If one were to add India's overseas tours of England and the West Indies, that number might swell to ₹2,000 crore.

On the Gravy Train

Cricket advertising revenues for 2011

India-South Africa (ODIs, T20)	80
ICC World Cup	600
IPL-4	900
India-West Indies	100
Champions League	120
India's tour of England	160

Figures are industry estimates, in ₹crore

In terms of viewership, too, this might be cricket's biggest year. From the time the $3-million opening ceremony of the World Cup kicks off in Dhaka on February 17, cricket is expected to attract the most eyeballs in Indian television ever within a single year. "India has the world's biggest audience for cricket," explains London-based Kevin Alavy, Director, Futures Sports, a sports media research agency. "The World Cup is also being held in India (after 15 years). And arguably, you have the best team in the world. So a lot of people are likely to watch the World Cup and cricket, in general, this year," adds Alavy. Interestingly, ICC plans to reach out to a billion people through the live broadcast of the Cup across 180 regions. Given these numbers, it is hardly surprising that some of the ICC event sponsors such as Pepsi have also become broadcast sponsors on ESPN Star.

It's not that spots on ESPN for the World Cup are cheap. Those engaged in media buying told *BT* that a 10-second advertising spot during the World Cup is likely to cost ₹3.5 lakh; despite that, the channel had sold close to 70 per cent of its inventory until early January.

ESPN Star Sports Managing Director Manu Sawhney refuses to talk numbers but argues that the World Cup remains a compelling proposition for advertisers. "We have signed on Sony and Hero Honda as our presenting sponsors and the likes of Maruti-Suzuki, Nokia, Airtel DTH as associate sponsors," says Sawhney.

World Cup Vs IPL

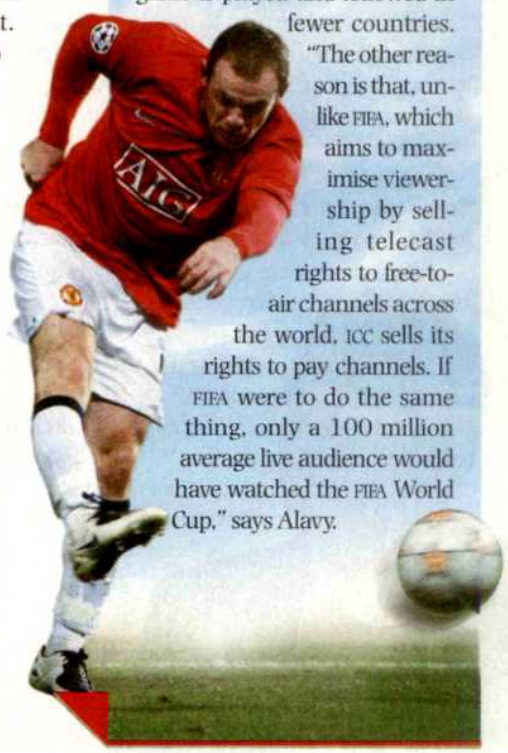
Rohit Gupta, President (Network Sales) at Multi Screen Media, or MSM, the company that broadcasts the Sony bouquet of channels, is not too optimistic about the future of ODIs in their current format. Gupta would know as the last two editions of the ICC World Cup were broadcast on SET MAX, an MSM channel. During the last edition, when India exited in the first round of the tournament, advertisers asked for their money back and the issue was settled after the Advertising Agencies Association of India intervened. "Over time, ODI viewership has been dropping. In 2003, games involving India got average television viewer ratings, or TVRs, of 13 to 14. In 2007, the same viewership came down to seven to eight TVRs," explains Gupta. "Currently, ODIs have ratings of four TVRs. Non-India matches fall to about 0.6 TVR," adds Gupta indicating that the days of one-dayers are

Not Quite Cricket

When Kevin Alavy was working in Russia, people asked him: "How come ice hockey is not the most watched game in the world?" Alavy, who heads research at sports media consultancy, Futures Sports, uses this anecdote to explain to Indians who find it hard to believe that cricket does not figure among the most watched sports globally.

"It's because the other five-sixth of the world is watching and playing other sports," explains Alavy. Last year, the FIFA World Cup final was watched by an average live global audience of 329 million people; the Australia-Sri Lanka ICC World Cup 2007 final match was watched by just 11 million, according to Futures Sports research.

The two main reasons for cricket's poor show are that the game is played and followed in fewer countries.



"The other reason is that, unlike FIFA, which aims to maximise viewership by selling telecast rights to free-to-air channels across the world, ICC sells its rights to pay channels. If FIFA were to do the same thing, only a 100 million average live audience would have watched the FIFA World Cup," says Alavy.

INTERVIEW

"The World Cup is a Multi-billion Dollar Event"

As far as **Haroon Lorgat**, *Chief Executive, International Cricket Council, or* ICC, *is concerned, the Cricket World Cup is the biggest event in the sport. Lorgat spoke to* **KUSHAN MITRA** *from* ICC*'s headquarters in Dubai. Edited excerpts:*

Do you feel global tournaments, such as the World Cup, face a challenge from the IPL?

There is no doubt about the passion that audiences and cricketers feel for the Cricket World Cup.

Some people think that the 50-over format faces challenges, particularly from T20?

I think all three formats are viable — One-Day Internationals, Tests and T20. This is why we want to have world championships for all three formats. We are currently in the process of finalising a format for a Test championship in 2013.

How much is the 2011 World Cup worth?

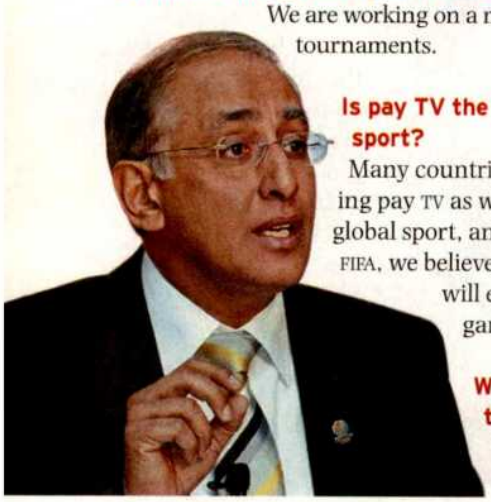
We do not disclose how much we make from commercial deals with partners but, looking at the massive audience, I believe this is a multi-billion dollar event.

The One-Day International World Cup will have only 10 teams from 2015, down from the current 14. Doesn't that go against ICC's philosophy of expanding the reach of the sport?

That is true, but we plan to use the T20 format to spread the reach of the sport. From the 2012 T20 World Cup onwards, we will have 16 teams taking part, and will keep increasing the number. There are 105 countries and territories where cricket is played in an organised manner today, double the number from a decade ago.

So by that logic isn't it unfair that the Test playing nations see it as their right to qualify for the ICC tournaments?

We are working on a new qualification system for our tournaments.



Is pay TV the right way to popularise the sport?

Many countries and sporting bodies are choosing pay TV as well. Cricket is the number two global sport, and while we do not compete with FIFA, we believe we have considerable reach, and will expand the popularity of the game.

What will the funds raised from the 2011 World Cup be used for?

We will plough the funds back into cricket.

numbered, at least in the current format. "The World Cup traditionally has been the biggest cricketing property. Till 2007, the ODI was the only format of cricket. It was only later that T20 happened. So advertisers would wait for the World Cup," adds MSM's Gupta. Now, with the IPL scheduled to begin six days after the World Cup ends, marketers may prefer to place their chips on the more popular 20-20 format. Even the ICC is taking a wait-and-watch stand on the future of the ODI format. "We will let market forces determine the course of the ODI format," an ICC official told *BT*.

"The IPL is a more proven format and the advertisers are willing to bet huge monies on it. There is better visibility for the brand as it reaches more people and the reach is consistent match after match," says Mahesh Ranka, General Manager, Relay Worldwide, which provides sponsorship consulting and is a part of Starcom MediaVest. Ranka points out that brands like Havells virtually built their visibility on the IPL. "IPL is a big platform, World Cup or no World Cup," says former cricketer Navjot Singh Sidhu. "It is a $4.1-billion brand; it is an industry here to stay," he adds. Ranka also believes that a tournament like the World Cup is too dependent on the Indian team's performance and that advertisers would prefer a safer bet such as the IPL, where interest is broad-based.

It's a point of view most media planners subscribe to. "According to our estimates, the World Cup could attract ₹600 crore to ₹650 crore in advertising (spend)," says GroupM's Kumar. He believes that the figure will be higher for the IPL. Media planners reckon that IPL

With us it's all about convenience

Vijaya Bank offers you convenient and hassle-free services for easy banking transactions

Enjoy the benefits of a wide range of schemes that meet your everyday banking needs

V-Payroll

A truly valued savings account for your hard-earned money

V-GenUth Unnati

Exclusive design for Generation Next

VP
V-Platinum

V-Platinum SB Account

Deposit Scheme with attractive add-ons to the Savings Bank customers

Pan India presence of **1185 branches** and more than **500 ATMs**

विजया बैंक

VIJAYA BANK

(A GOVT. OF INDIA UNDERTAKING)

A friend you can bank upon

Corporate Office : # 41/2, M.G. Road, Bangalore - 560 001, India

World Cup Prize Money: Slow but Steady

The growth of World Cup prize money is synonymous with India's rising influence in the game.

1979
£10,000 to winners, £4,000 to the runners-up. Winning team in group matches took home just £500 each

1983
£20,000 to winners, £42,000 overall

1987
£30,000 to winners; winners of group matches got just £1,500

1992
A$250,000 was what the winners took home

1999
For the first time, the prize money on offer crosses $1 million

2003
Total prize money pool crosses $5 million, the winner takes home $2 million

2007
Prize money remains the same, but winners take $2.24 million

2011
Prize money pool doubles to $10 million; winners to take home $3 million

MONEY SHARMA

"In 2011, we expect to spend ₹80 crore to ₹100 crore in marketing and advertising expenses related to cricket"

L.K. Gupta, Chief Marketing Officer, LG India

advertising could touch ₹900 crore — in IPL-3, advertising spend stood at ₹750 crore.

The World Cup is hamstrung by the fact that in the first month of the tournament India plays just six matches. Even if India makes it to the finals, the Indian team would play just nine matches in a 45-day long tournament. The IPL has a total of 74 matches played over 51 days.

MSM's Gupta also says that IPL's improving reach — 143 million in 2010 from 102 million in 2008 — has helped it tap sponsors and advertisers even six months before the tournament. It even sold spots for the live auction of players at ₹50,000 per 10 seconds. Videocon and Vodafone have coughed up an estimated ₹50 crore each as presenting sponsors for IPL-4 while the likes of Samsung Mobile, LG, Hyundai Motors, PepsiCo, Tata Photon, Havells, Cadbury and Godrej have paid roughly ₹36 crore each to pick up sponsorships.

ESPN, though, believes that the World Cup continues to be a good property for advertisers. "I think people make a mistake when they say that 'only' 10 countries follow cricket. People are interested in group matches because they want to see who wins what and the permutations and combinations of contests," says ESPN's Sawhney. Others such as Castrol believe that the international following of the World Cup makes it a better proposition than the IPL, which largely has an Indian following. "South Africa, New Zealand, Australia and the UK are all key markets for Castrol worldwide. The fact that the World Cup is followed in these countries also makes it a good sporting event to be associated with," explains Castrol's Kirpalani. Either way, the debate about the future of the ODI format and the World Cup will be determined in fewer than three months. Another early ouster for the men in blue will mean curtains for this tournament, which derives 75-80 per cent of its revenues from the Indian subcontinent. However, if Dhoni's team makes it to the finals, Indian cricket's poster boys won't be the only ones smiling. ◆

ADDITIONAL REPORTING BY KUSHAN MITRA, K.R. BALASUBRAMANYAM and N. MADHAVAN

Markets are expanding. So are the ways you can reach them.

Whether it's urgent or not. A small box or heavy freight. Imports or exports. You can rely on FedEx for a range of business solutions. So whichever service you choose, you can be sure your business is moving in the right direction.

FedEx delivers to a changing world.

experience.fedex.com/services

FedEx Express

CHARU SHARMA

The Commercial Capital of Cricket

If it sounds too good to be true it probably is! That is a pretty accurate representation of the story of Indian cricket over the past quarter of a century. We only have to go back to the 1970s to remind ourselves that cricket was not a source of livelihood for even the top 15 players of the country. The match fee and allowances were negligible. The players got by with jobs in various corporations. The tide turned in 1982-83, with the Ninth Asian Games in New Delhi. Colour TV arrived and suddenly television became a coveted household item. Along came June 1983 and rank outsiders India went on to win the World Cup. Our story begins.

In 1983, VST Industries, with whom I was privileged to be employed those days, quickly cemented its association with the gentlemen at the Board of Control for Cricket in India or BCCI. VST signed up the first official three-year contract for sponsoring one-day internationals or ODIs, and domestic cricket, which rode piggyback. The sum: ₹3 lakh per ODI, which was considerable in those early days of sponsorship. I dare suggest that all parties were happy. The Board was assured money, the players were beginning to sniff it and the commentators were kept busy. The viewers suddenly began to get a regular diet. The broadcaster, at that time the national channel, couldn't have been happier laying its hands on eight to 10 hours of software. And the real gold mine? Thirty seconds of advertising revenue every four minutes.

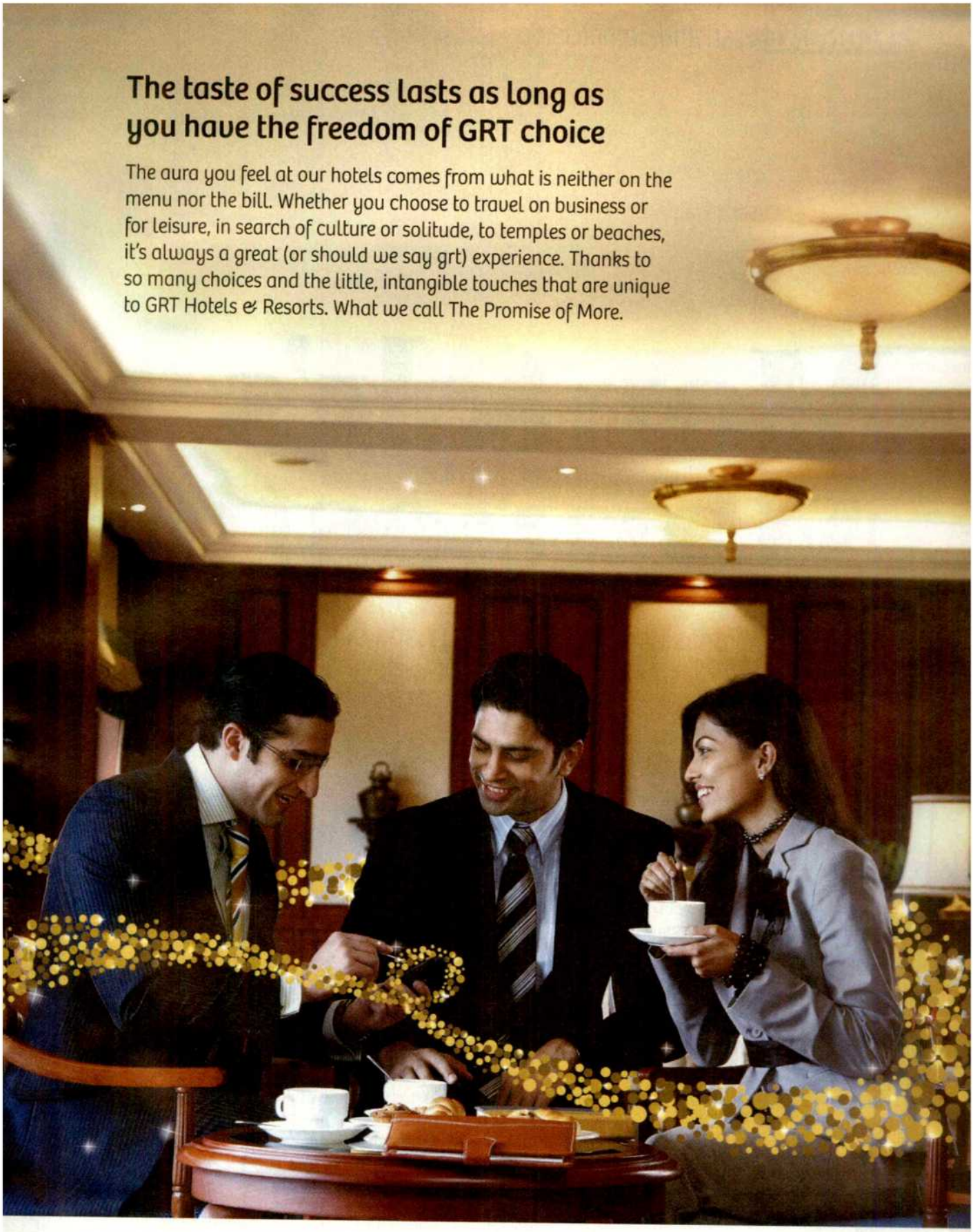
In 1987, VST wished to renew its contract for another three years. The new, commercially astute management of the Board hit VST with a demand of ₹7 lakh a match. Under the threat of competing sponsors being in the queue, VST paid up. The story of wild exponential increases commenced. Consider the current situation. Team sponsorship: ₹3.3 crore per match (Sahara). Apparel sponsorship in 2005: $27.2 million, or ₹118 crore (Nike). And the whopper is TV rights: ₹2,000 crore until 2014 for all India matches.

After India's success in 1983, the subcontinent staked its claim to host the 1987 World Cup. Reliance picked up the title sponsorship. The subcontinental fan following made it all worth it and the World Cup was quick to return in 1996, sponsored by ITC/Wills for ₹40 crore. Satellite TV had arrived by then, and competition between multiple channels kept driving up telecast rights fees. With India's economy opening up in the first half of the 1990s, the stage had been set for another boom in the cricket stakes.

India had already become the commercial capital of cricket at the turn of the millennium. Did it have an even bigger capacity to spend on the game? Along came the Indian Premier League or IPL. But only after the Indian Cricket League or ICL. It is important to remember here that until 2006, all the massive commercial gains of the sport benefited only 15 or 20 players in the country. Great for them. But the next rung of the country's best were still very poorly remunerated. It was a very unhealthy gap — a gap you did not want to experience once you had been at the high end. So injuries had to be hidden. And the exclusive club members protected their own. The ICL changed that by offering a very decent source of livelihood for 10 times the number of players. And the biggest commercial development, the IPL, offered the best domestic players a substantial source of income. All domestic players' fees and allowances were instantly trebled. There is little need to elaborate on what the IPL did to those who played for the national team — except to gently remind you about a lanky Indian fast bowler who earned ₹1.5 lakh for every delivery bowled. ◆

It is important to remember that until 2006, all the massive commercial gains of the **sport benefited only 15 or 20 players in the country.**

The writer is a cricket commentator



RT Grand, Chennai | Radisson Hotel GRT, Chennai | Radisson Resort Temple Bay, Mamallapuram | GRT Grand Estancia, Salem
e Sunway GRT Grand, Pondicherry | GRT Regency - Madurai, Tuticorin, Kanchipuram | GRT Nature Trails SkyRocca, Yercaud

orporate Sales and Marketing Office: No. 21, 8th Floor, Coats Road, T.Nagar, Chennai – 600017, Tamil Nadu, India
or reservations, contact, Chennai: +91-44-6650 0050 • Bangalore: +91-80-4113 5559 • Mumbai: +91-22-6679 0735
ew Delhi: +91-11-41729572 • Toll Free: 1800 425 55 00 (9 am - 7 pm, Monday to Saturday) • E-mail: crs@grthotels.com

www.grthotels.com

GRT
HOTELS & RESORTS
THE PROMISE OF MORE

Montek's Manifesto

Yojana Bhavan is abuzz with strategy and some existential thoughts in yet another search for its relevance. BY PUJA MEHRA

In late 1998, Arun Maira wrote a letter from the United States to Montek Singh Ahluwalia, then a mere member of the Planning Commission. Maira does not have a copy of the letter, but remembers telling his former junior at Delhi's St Stephen's College something like this: "In this post-liberalisation age, how can planning be done in the same old way and how can you, a respected person, be inside the Planning Commission when it is so? You'd be laughed at."

The outburst, Maira recounts, came in the backdrop of central economic planning getting redefined elsewhere in the world. Maira was then with Arthur D. Little, the international consultancy, and had a strong world view of transforming economics.

Visiting the Commission's Yojana Bhavan office in central Delhi a month after he wrote the letter, Maira found Ahluwalia frustrated with the body's ineffectiveness: "Walking around the office, he showed me cupboards full of reports. He told me that on every subject the Commission had the best know-how and yet it could not make things happen."

Ahluwalia, Deputy Chairperson since 2004, still cannot make things happen through the Commission. Few states or Central ministries take the preparation of Plans seriously, even though, with rapidly rising Plan Expenditure (₹3.75 lakh crore in 2010-2011), the Commission's scope to shape things has widened.

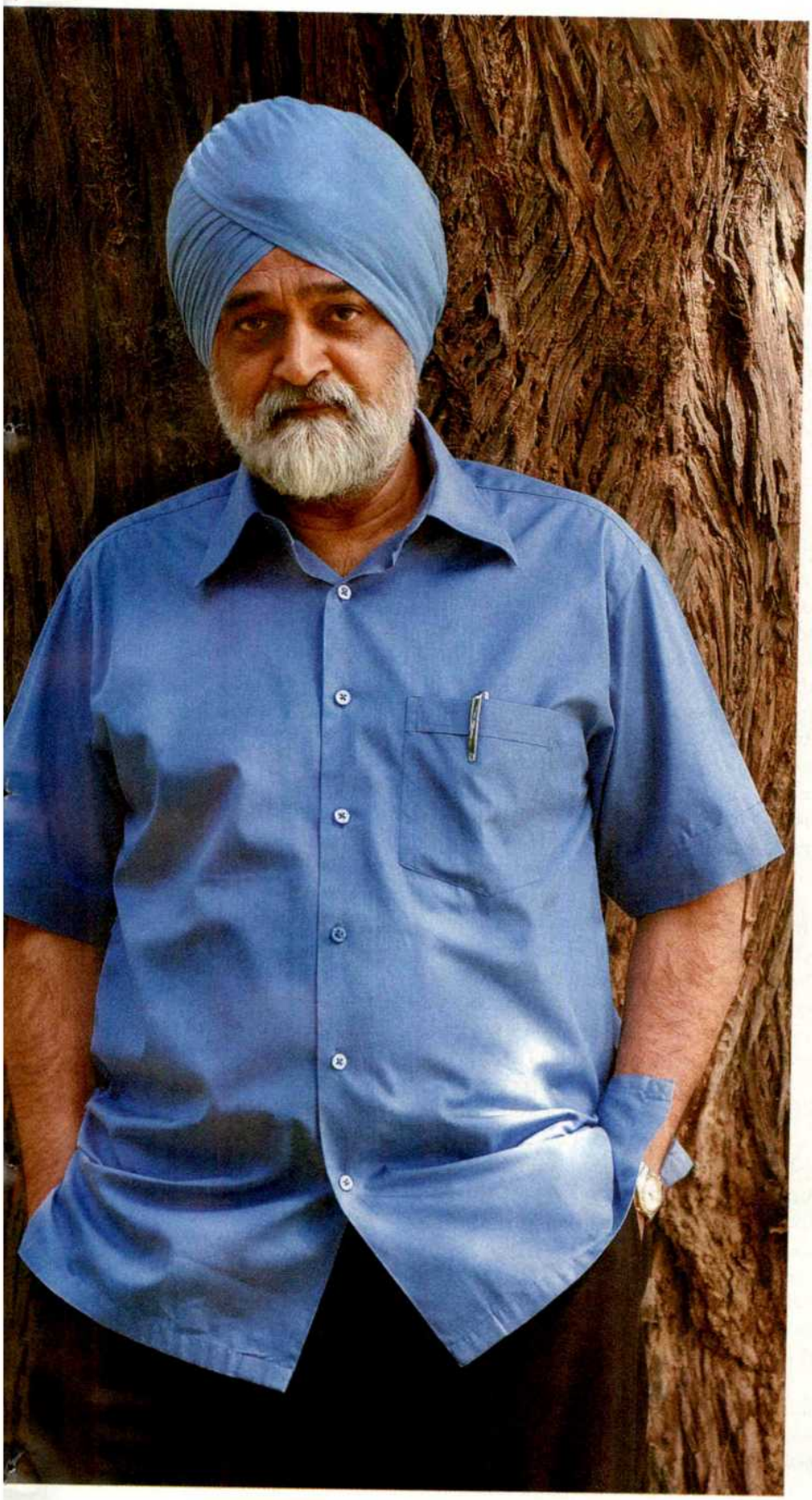
"There is a tendency to cut and paste from previous Plan documents," rues a Montek aide. Take the case of ICDS or the Integrated Child Development Scheme, which has been around for 36 years without making much difference to the abysmal state of the health and nutrition of Indian children. Ideally, such schemes should be reviewed between Plans. But the ICDS has remained untouched.

India's five-year plans have always been about targets and fund allocations: targets that are missed by huge margins and allocations that fail to produce intended outcomes. (The 11th Plan target for addition of power generation capacity was revised from 78,700 MW to 62,374 MW; the capacity achieved by 2012 will be around half this.)

Some of that may change. With the help of Maira, now a member of the Commission, Ahluwalia is reinventing planning. "We have identified key strategy challenges that we must address," Ahluwalia told *Business Today* (see interview, *"We have identified key strategy challenges"*).

Ahluwalia reckons planning can be rejuvenated by adding a dash of strategising: getting planners to ask themselves what they can do to ensure that the targets

VIVAN MEHRA/www.indiatodayimages.com



THOU SHALT STRATEGISE

This is what the 12th Five Year Plan will get the states to address

- Enhancing the capacity for growth
- Upgrading skills and faster generation of employment
- Managing the environment
- Make markets efficient and inclusive
- More decentralisation and empowerment
- Better technology and innovation
- Securing the energy future for India
- Accelerated development of transport infrastructure
- Rural transformation and sustained growth of agriculture
- Managing urbanisation
- Improved access to quality education
- Better preventive and curative health care

Arun Maira, Member, Planning Commission

"We have to transform the panel into a set of thought leaders, coaches and guides that the states would want to consult"

Nitish Kumar, Chief Minister, Bihar

"You decide the number of BPL families and give allocations...How is it possible for us to function in such a situation?"

they set are achieved.

The process of preparing the approach paper to the 12th Five Year Plan, 2012-17, is being redesigned. The states and the Centre will have to specify the strategies they will adopt to hit the targets they set. So a health department's plan will be judged incomplete unless it spells out how many doctors and nurses will be required and how it plans to get them. "The idea is to make states think about changing things, doing things differently and also address design flaws," says the aide.

Ministries and states will have to start with a zero base and rework troubled schemes such as ICDS. The approach paper to the Plan is expected to be released early this year. This redirection is the fifth or sixth such attempt since the 1980s.

Great Ambitions

The Commission has readied a list of a dozen strategy challenges with feedback from 20 outside experts, ranging from Vijay Kelkar, Chairperson of the 13th Finance Commission, to Nitin Desai, former Under-Secretary-General for Economic and Social Affairs of the United Nations.

For the first time, the Commission has hired young professionals laterally to work on each of the 12 strategies. For the macro economy, Pranjal Bhandari, a former economist with Goldman Sachs Hong Kong, is working with Ahluwalia. Harsh Shrivastava, a product of the Indian Institute of Management, Ahmedabad, is assisting Maira on overall strategy. The Commission plans to use Twitter and Facebook to generate feedback.

The consensus amongst the youngsters and the experts, Maira says, is that India needs planning more than ever before, but it has to be done differently or else the Commission might as well shut down. Says Ahluwalia: "As against the planning that required us to set targets for even the number of scooters to be produced, our role will be to create an environment in which the economy can grow." The new way will not spell out how this environment is to be created; the Commission's reports already do that. But these reports are gathering dust. The idea now is to ensure that the implementation machinery buys into them for devising strategies — an uphill task, to put it mildly.

Oh! The Politics of It All!

The first big hurdle ahead of the Commission: clashes over ideology and politics. Take the corporatisation of Indian Railways, championed by it. Instead of responding with a how-to-do-it solution, railway minister Mamata Banerjee is more likely to send a "No, Thank You" note.

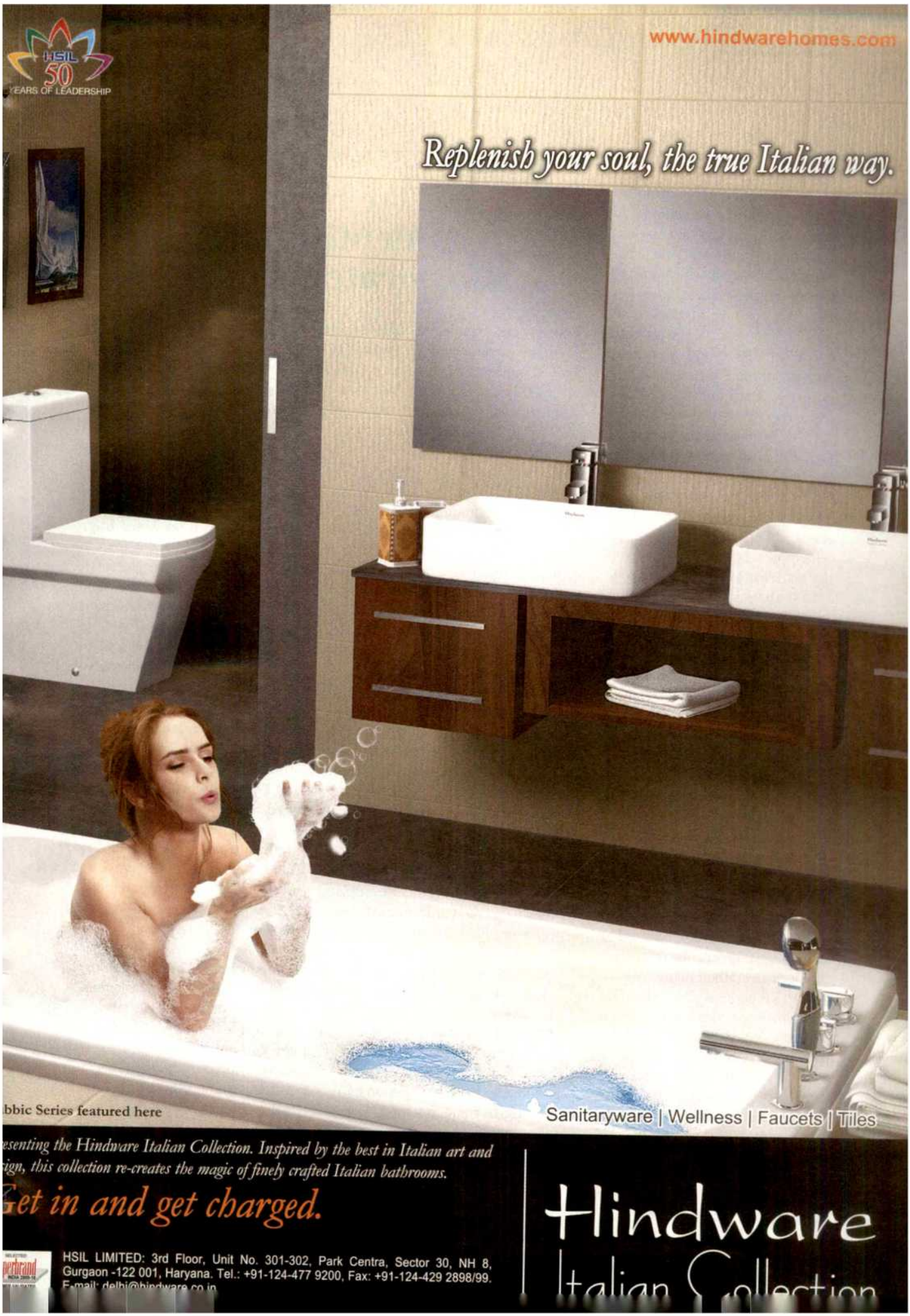
In such cases, with or without reinvention, the Commission will have to continue to wait for the political environment to turn conducive or an authority figure to intervene.

It does not help that Ahluwalia is not a favourite of political leaders. Even so, some states are coming to the Commission for solutions to specific problems. "Chief Minister Nitish Kumar in Bihar and Narendra Modi in Gujarat do pose problems to us and seek solutions," says Maira. Even here, the Commission has to walk a tight-rope: the solution has to be effective *and* politically acceptable.

Take the headcount of families living below the poverty line, or BPL, in Bihar. The state's tally is double that of the Commission. This causes problems when it comes to allocations.

In November 2009, Ahluwalia visited the state for the first time since 2004 in his official capacity. At a seminar on poverty alleviation, Kumar rubbed in the disconnect: "You are the Deputy Chairman of the Planning Commission and your little blessing will be of great help.... You say there are 72 lakh BPL families, our survey says there are 1.5 crore."

Kumar asked Ahluwalia: "Is it possible to delete the names of families from our survey list? You decide the number of BPL families and give allocation accordingly. How is it possible for any state government to


HSIL 50
YEARS OF LEADERSHIP
www.hindwarehomes.com
Replenish your soul, the true Italian way.
bbic Series featured here
Sanitaryware | Wellness | Faucets | Tiles
esenting the Hindware Italian Collection. Inspired by the best in Italian art and
ign, this collection re-creates the magic of finely crafted Italian bathrooms.
Get in and get charged.
HSIL LIMITED: 3rd Floor, Unit No. 301-302, Park Centra, Sector 30, NH 8,
Gurgaon -122 001, Haryana. Tel.: +91-124-477 9200, Fax: +91-124-429 2898/99.
E-mail: delhi@hindware.co.in
Hindware
Italian Collection

function? Bihar is not alone."

Then, though the government allows the Commission to influence government schemes — in infrastructure, poverty alleviation and even policy — most ministers resent it as a bunch of nosey armchair advisors. In 2009, roads and highways minister Kamal Nath, agitated over the Commission's insistence on standards for awarding contracts, had told BT: "You can have a view, but accountability rests with my ministry...Parliament questions me...not the Planning Commission."

The Commission also attracts ire for linking the release of funds to the readiness of the recipient to adopt reforms. This system devalued its advice considerably in the eyes of the states. "In effect, the current system implies: I give you money, you do this," says Maira. This is in contrast to the world of private sector consultancy that Maira left in 2009: clients value your advice so much that you are paid top dollar.

"We have to transform the panel into a set of thought leaders, coaches and guides that the states would want to consult," he says. "States have to be our clients."

Ahluwalia has some things going for him in his ambitious undertaking. For one, he has the unflinching support of Prime Minister Manmohan Singh, a fellow economist. Also, the economy is poised for a nine per cent growth, and there is new worldwide acceptance of planning given the realisation that markets do not always correct themselves on their own.

This is perhaps why he has had the confidence to declare that, being the only Deputy Chairperson of the Commission to get two consecutive terms, he would have no excuse if the 12th Plan does not redefine the planning process. If Ahluwalia does succeed, the 12th Plan could become India's most important acceleration plan. For now, the Commission and its heritage seem to be exactly what they are now: forgettable. ◆

INTERVIEW

"We have identified key strategy challenges"

MONTEK SINGH AHLUWALIA, *apart from being the only Deputy Chairperson of the Commission to have two consecutive terms, has done stints at the finance ministry and the International Monetary Fund. But will he manage to reinvent planning? Edited excerpts from an interview with* **PUJA MEHRA.**

What is planning's role today?

The old view of planning was about setting detailed targets, such as how many cars and scooters must an economy produce, so that it can decide how many components for these products need to be imported. Such planning is not needed in a market economy where industrial economic agents, including PSUs, take decisions on commercial lines. If the item is not produced domestically, it can be imported. However, setting targets for non-tradable infrastructure such as roads and ports is needed, since these items have to be domestically supplied.

The job of the Commission in the 21st century is to identify critical constraints, recognising that we are planning for a dominantly market-driven economy. Planning must aim at ensuring full inclusion... so that those at the bottom of the pyramid are included. We have to coordinate not just the growth policy of the Central ministries, but also that of the Centre with the states.

What can the Commission contribute to the economy?

Three things: First, someone has to allocate development expenditure across sectors. The Commission works out detailed guidelines for states and ministries on how they can best spend their allocations.

Two, the Commission is engaged in programme and policy evaluation not just from the point of view of whether money has been spent well, but also whether the policies in place are supportive. So, for instance, we are concerned about policies relating to agriculture markets and contract farming, and their relevance to agriculture development. Of course, the ministries tend to be very defensive about such critiques. That's normal. Three, there are cross-sector issues involving many ministries. For example, pricing policies for coal and petroleum ought to be similar as both are importable energy products.

The 12th Plan is going to be completely your baby. Will it be different from the earlier plans?

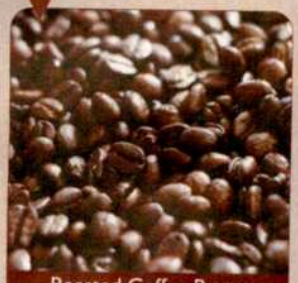
The Plan will obviously carry forward what we have been working for. Problems don't change overnight. But we have decided to do things differently this time. We have identified key strategy challenges that we must address if we are to prepare a better Five Year Plan.

Some examples of effective intervention by the Commission...

Emphasis on public-private partnerships in building infrastructure; government money no longer goes into manufacturing; the independent evaluation office; the restructuring and award of the contract for the modernisation of the Delhi airport; the Rashtriya Krishi Vikas Yojana... there are so many examples.

Green Beans

Coffee Roasting Machine



Roasted Coffee Beans

Coffee Grinding Machine

A cup of brewed coffee

TAKE A STEP FORWARD.

START COFFEE ROASTING, GRINDING & PACKAGING UNITS.

Demand for coffee in the country has been growing very fast. Traditionally only South Indian States were considered as the market for coffee. In recent years coffee has acquired a national presence and demand for coffee is growing much faster in the non-south regions. Between 2003 and 2009 the coffee consumption has grown in the non-south regions @ 42% annually while it has grown by 3.5% p.a in the southern states. There are exciting business opportunities for coffee processing units especially in non-southern states.

Coffee Board provides **25% subsidy** with a ceiling of **Rs 25 Lakhs** per unit to individuals and firms and **40% subsidy** with a ceiling of **Rs 40 Lakhs** per unit to the self help groups and growers collectives or co operatives-on the total cost of the equipment.

The eligible items for support are : Roasting, Grinding and Packaging machineries all together or either Roasting or Grinding machinery along with Packaging machinery.

Existing units can also avail this benefit for addition of any of the components.

Eligible Capacities of Machinery : Roaster of 10kg per batch or more capacity. Commercial grinder of 15kg or more per hour capacity Packaging Machines (pedal sealing, continuous sealing, filling and Sealing form fill and sealing , automatic or semi automatic Nitrogen flushing and sealing machine, amniotic and semiautomatic Vaccumissing sealing machine) are eligible for subsidy under the scheme .

Please obtain complete details of the scheme and the detailed conditions of eligibility, application procedure etc by accessing 'Support for Coffee Processing' from Coffee Board Website www.indiacoffee.org.

कॉफी बोर्ड COFFEE BOARD

www.indiacoffee.org

Note : This is for general awareness and should not be construed as the complete & conclusive document for the purpose of determining entitlements.

Ad Advertising

MONEY

Keep Pace with Changing Times

Investors will need to restructure their mutual fund portfolios according to their risk profiles and financial goals. BY DIPAK MONDAL

Financial planning is a long-term process. Short-term developments and market movements should, therefore, not have a bearing on your investment decision. This is the popular refrain among wealth planners. While we remain rooted to this belief, a yearly review of your portfolio is not such a bad idea, especially after a year of regulatory and policy changes that may directly impact your investment and financial planning.

As the curtain fell on 2010, the country's equity markets slipped into a volatile phase following the housing loan and 2G spectrum scams, surging interest rates and global economic uncertainties. While the impact of the scams on market sentiments may not last long, the other two concerns may prove to be a drag on the equity markets, at least in the first few months of 2011. The recent

volatility can linger for some time in 2011. Consequently, this might have a bearing on mutual funds, or MFs, with exposure to equities. Here are the fundamental dos and don'ts for making an investment decision in the new year.

Rebalance Your Portfolio

A periodic rebalancing or review of your portfolio is an essential part of financial planning, and what better time to review your investments than the last quarter of a financial year. These are the first three months of 2011, when most of your tax investments are finalised or fine-tuned. A suitable mix of debt and equity in your MF portfolio, depending on your goals, needs and market conditions, is one of the ways to ensure sustained long-term wealth creation.

If your ideal equity-debt ratio is 70:30 and the surge in the market over the past one year has skewed your portfolio towards equities, this is the time to either tread back to the 70:30 mix or to cut equity exposure further.

Usually, a price-to-earnings, or P-E, multiple of 20 or more in major equity indices calls for a cut in your equity exposure. At present, both the National Stock Exchange's Nifty and the Bombay Stock Exchange's Sensex indices are trading at P-E multiples of 21-22.

According to Gagan Randev, Chief Executive Officer of Religare Securities, at high P-E levels, investors should partially book profits from their equity funds and put the money in liquid and short-term debt funds.

Given the emerging scenario in the financial market, how should you adjust your MF portfolio during 2011? Here are some tips based on possible market scenarios.

Volatile Markets

Volatile equity markets can be unnerving for any investor with high equity exposure. When the markets move in a unidirectional manner — up or down — you could either get in or get out. But the swings in the market over the past year have made it difficult to take a call. This is the time when the systematic investment plan, or SIP, comes in handy. Regular investments at fixed intervals of a month or a quarter help in averaging out costs and reducing risk.

"In the three-year period beginning December 2007, the equity markets saw one of the biggest crashes followed by a speedy recovery. However, those who had invested through SIPs during the period, gained the most despite the volatility," says Kalpen Parekh, Deputy Chief

Top 10 Large-cap Funds

Returns in %

FUND	1 YEAR	3 YEARS	5 YEARS
DSPBR Top 100 Equity	13.65	4.47	22.28
Franklin India Bluechip	20.54	5.13	20.16
DWS Alpha Equity Regular	12.71	-0.15	19.66
Sahara Growth	8.14	2.27	19.37
HDFC Index Sensex Plus	16.08	3.72	19.05
Sundaram Select Focus	11.41	-3.58	19.03
Kotak 30	13.14	-0.91	17.88
ICICI Prudential Index I	14.68	0.54	17.72
UTI Sunder	15.51	0.53	17.45
ICICI Prudential SPIcE	14.32	-0.02	17.15

Top 10 Mid-cap Funds

Returns in %

FUND	1 YEAR	3 YEARS	5 YEARS
IDFC Premier Equity Plan A	25.88	8.99	27.34
Sundaram Select Mid-cap Regular	15.75	3.39	22.94
Reliance Growth	15.11	2.70	21.58
Birla Sun Life Mid Cap Plan A	13.50	2.69	20.05
ICICI Prudential Discovery	24.25	13.04	19.50
Sundaram S.M.I.L.E. Regular	6.28	1.61	18.97
ING Dividend Yield	25.38	10.93	18.38
Birla Sun Life Dividend Yield Plus	24.63	12.40	18.30
Tata Dividend Yield	27.13	5.51	17.66
Sahara Mid-cap Fund	21.67	3.19	16.86

Top 5 Asset Allocation Funds

Returns in %

FUND	1 YEAR	3 YEARS	5 YEARS
FT India Dynamic PE Ratio FoF	10.01	8.35	16.82
ING OptiMix Asset Allocator*	4.67	1.86	N.A.
Magnum NRI Inv Flexi Asset**	9.16	-1.17	11.38
Principal Smart Equity	N.A.	N.A.	N.A.
UTI Variable Investment	10.21	-3.31	4

Figures as on December 10, 2010; ranking based on five-year returns
*A multi-manager fund of funds (MMFoF) launched in July 2006
**Principal Smart Equity new fund offer ended on December 10
N.A.: Not applicable

Source: Value Research

Top 10 Fixed Maturity Plans

FUND	Returns in % 6 MONTHS	1 YEAR	2 YEARS
Birla Sun Life Equity Linked FMP	16.64	24.87	17.05
ICICI Prudential S.M.A.R.T.Sr G	18.68	21.90	15.08
ICICI Prudential S.M.A.R.T.Sr F	9.43	19.02	N.A.
ICICI Prudential S.M.A.R.T.Sr H	8.65	16.17	N.A.
DWS FTF Series 50 Plan A	12.81	14.16	11.89
DWS FTF Series 43 Regular	12.5	13.75	10.08
ICICI Prudential FMP	10.9	10.56	8.65
HDFC FMP 20M Sep 2009	2.60	7.16	N.A.
HDFC FMP 18M Oct 2009	2.32	6.94	N.A.
ICICI Prudential FMP Series 45	1.97	6.79	7

Top 10 Monthly Income Plans

FUND	Returns in % 1 YEAR	3 YEARS	5 YEARS
Canara Robeco MIP	8.26	7.12	12.56
Reliance MIP	8.29	13.45	12.48
HDFC MIP Long-term	10.01	10.07	11.96
HSBC MIP Savings	6.02	7.23	10.36
UTI MIS-Advantage Plan	6.40	6.79	10.06
LICMF Floater MIP	7.24	6.37	10.03
Birla Sun Life Monthly Income	7.24	7.81	9.67
Birla Sun Life MIP II Savings 5	5.42	11.37	9.76
DSPBR Savings Manager Aggressive	4.57	7.11	9.71
L&T MIP	0.57	9.69	9.6

Figures as on December 10, 2010; ranking based on five-year returns

Source: Value Research

Executive Officer at IDFC MF.

According to Sankaran Naren, Chief Investment Officer at ICICI Prudential MF, investors should look at long-term SIPs.

Another way to insulate your portfolio from market volatility is to have a multi-cap strategy, with the major portion of equity portfolio in large-cap funds and the rest in mid-cap funds. In an uncertain market, 60-70 per cent exposure to large-cap funds and 30-40 per cent exposure to mid-caps can potentially do well.

Bearish Market

With the Nifty and the Sensex trading in the over-valuation zone, the indices could be in for a correction. A typical asset allocation strategy (shifting between debt and equity funds according to market conditions) takes care of your portfolio in a falling market. In a market undergoing correction, you can gradually increase your equity exposure.

"One can increase weightage to high-risk, high-return assets such as equities and switch money from liquid/debt funds to equity funds if the long-term future of the equity market looks good," says Randev.

In a falling market, the impact on large-cap funds is much less than that on mid- and small-cap funds. Also, large-cap funds usually recover faster than mid- and small-cap funds. "In a falling market, we recommend investing 100 per cent in large-cap funds or large-cap index funds," says Navneet Munot, Chief Investment Officer at SBI MF.

Bullish Market

If the markets rise gradually, investors should remain invested without worrying too much about reviewing or rebalancing. However, if they move up disproportionately and valuations get stretched, there is a case for rebalancing.

"In case the equity markets continue to show an upward bias, investors should follow the asset allocation strategy depending upon their objectives as well as their risk appetites. However, they can look at booking some profits periodically," says Naren.

Increasing the weightage of mid-cap funds in your portfolio will help generate higher returns than the broader market. However, large-cap funds should continue to be the core of your portfolio as they lend safety and stability to your portfolio.

Debt Fund Options

Debt funds offer stability and performance when equity funds become overvalued. With interest rates going up, returns from debt instruments have already increased significantly. Interest rates might move upwards if the Reserve Bank of India increases policy rates to tame inflation.

Therefore, in the short to medium term, debt funds offer good investment opportunities. The first quarter of 2011, in particular, will offer a good entry point in fixed income funds such as fixed maturity plans, or FMPs, and short-term bond funds.

"Due to the liquidity squeeze, commercial paper and certificates of deposit are fetching around nine per cent return. The yield of the 10-year government paper is in the band of 8.1-8.2 per cent. Investors can increase the allocation to debt schemes due to the higher accrual

INDIAN INSTITUTE OF MANAGEMENT CALCUTTA

Diamond Harbour Road, Joka, Kolkata - 700104

Management Development Programmes To Be Held During January 2011-March 2011

Sl. NO.	Name of the Programme	Programme Director/s	Duration	Fees	Venue
1	Creative Excellence in Management	Prof. C. Panduranga Bhatta	Jan 17-19, 2011	Rs.30,000/-	Kolkata
2	Managerial Leadership and Conflict Resolution	Prof. B.N. Srivastava	Jan 17-22, 2011	Rs. 75,000/-(R) Rs. 48,000/-(NR)	Chennai
3	Managerial Effectiveness	Prof. Leena Chatterjee & Prof. Jacob D. Vakkayil	Jan 31- Feb 04, 2011	Rs. 45,000/-	Kolkata
4	Communication and Presentation skills	Prof. Leena Chatterjee & Prof. Vidyanand Jha	Jan 31- Feb 03, 2011	Rs. 40,000/-	Kolkata
5	Negotiating Your Way to Success	Prof. B.N. Srivastava	Feb 02-05, 2011	Rs. 50,000/-(R) Rs. 32,000/-(NR)	Bengaluru
6	Organisational Excellence through Leadership	Prof. C. Panduranga Bhatta	Feb 07-09, 2011	Rs. 30,000/-	Kolkata
7	Personal Growth and Group Development	Prof. B.N. Srivastava	Feb 07-11, 2011	Rs. 60,000/-(R) Rs. 40,000/-(NR)	Bengaluru
8	Management of Creativity and Innovation	Prof. Vidyanand Jha	Feb 07-11, 2011	Rs. 50,000/-	Kolkata
9	Building Relationships for Organisational Effectiveness	Prof. Leena Chatterjee & Prof. Jacob D. Vakkayil	Feb 14-18, 2011	Rs. 45,000/-	Kolkata
10	Knowledge Management for Competitive Excellence	Prof. Vidyanand Jha & Prof. Rajiv Kumar	Feb 21-23, 2011	Rs. 30,000/-	Kolkata
11	Leadership Excellence	Prof. C. Panduranga Bhatta	Mar 07-09, 2011	Rs. 30,000/- (R)	Bengaluru

- Under very special circumstances the venue for some specific programme may be changed.
- The information in this calendar overrides that in the calendar sent earlier by IIM Calcutta in March 2010. This revision in the calendar is to ensure a comfortable ambience to our valued participants despite the constraints of a massive ongoing construction work and capacity expansion efforts at IIM Calcutta Campus.

The increase in programme fee is absorb only a part of the additional expenses. IIM Calcutta will incur in accomodating the participants at this renowned IBIZA Club while delivering the sessions at the coveted ambience of IIM Calcutta campus. We believe the organisations sending participants to our programmes will appriciate this effort.

Any inconvenience to our valued participants due to this unavoidable revision of the calendar is regretted.

For further details please write to : mgrmdp@iimcal.ac.in, Telephone : 91-33-2467-9189/8300-04
Also please visit our Website : www. iimcal.ac.in/edp

CURRENT MARKET FLAVOURS

With changing market dynamics, fund houses have come out with new funds to suit investors' needs. As equity markets are likely to remain volatile in 2011 and interest rates to remain high, fund houses are launching appropriate funds.

DYNAMIC ASSET ALLOCATION FUND: These funds automatically switch between different asset classes – debt and equity – depending upon certain predefined market triggers. Principal Smart Equity fund and Pramerica Dynamic fund are two such funds launched recently. SBI Mutual Fund has also sought approval for a similar product.

CAPITAL PROTECTION-ORIENTED FUND: With volatility as the key concern among investors, fund houses have lined up capital protection-oriented funds. These are conservative hybrid funds that have a 80-90 per cent investment in debt papers and a lock-in period of three-five years. Recently, JP Morgan Mutual Fund and Sundaram Mutual Fund launched their capital protection funds, while several others are in the process of following suit.

ETFs AND INDEX FUNDS: Virtually every fund house is launching index funds as the cost of operating such funds is low. Apart from no risk from the fund manager's strategy, index funds are cheaper in terms of lower expense ratios. An index fund tries to replicate its benchmark index by investing in stocks of that particular index with the same weightage as in the index.

BHASKAR PAUL

"In a falling market, we recommend investing 100% in large-cap funds or large-cap index funds"

NAVNEET MUNOT, Chief Investment Officer, SBI MF

and scope for rates to come down later as headline inflation falls down due to base effect and higher farm output," says Murthy Nagarajan, Head of Fixed Income at Tata MF.

Long-term Savings

As interest rates are slowly rising and are expected to remain stable with a slight upward movement in the medium to long term, medium and slightly longer duration bond funds, such as gilt and income funds, are likely to give decent returns. FMPs are a good pick for generating income if invested till maturity.

Regular Income

MIPs, which pay regular dividends, can be used as an alternative source of income. However, one must remember that the dividend payout is not guaranteed and is subject to availability of funds. These are available in various flavours, with different allocation in debt, equities and gold. "MIPs have seen a lot of inflows. The data for the past seven-eight months shows that MIPs are worth ₹20,000 crore," says Waqar Naqvi, CEO of Taurus MF.

Regulatory Changes

In the new year, all MF investors will have to comply with KYC, or know your customer, norms, irrespective of the investment amount. Earlier, KYC was mandatory only for investments above ₹50,000. So, make sure you have all the documents in place and comply with KYC norms to avoid discontinuation of investments.

Another change in the offing is that interval funds, which are FMPs with a premature exit option, will cease to offer the early redemption route from April 1, 2011. Investors who used to prefer interval funds purely for liquidity considerations may now have to reconsider their investment decisions. FMPs are closed-ended funds, which do not allow premature redemptions by paying exit loads.

For retail investors, MFs are the best option for long-term wealth creation. It is high time that these become the core of their portfolios. The key to reaping maximum benefits is to remain invested in a mix of well-diversified equity and debt funds. ◆

Courtesy: *Money Today*

BALMS, THE POWER OF NATURAL HEALING

To be (read to heal) or not to be (read not to heal), that is the question!'-still seems to be the most subtle and profound dilemma being faced by the cross section of the society. Healing balm may have emerged as a commonly used phrase, but if balm actually heals still remains debatable. Not so much by those who have used it or at least have gone through authentic literatures on the subject.

Pain in medical parlance is an unpleasant sensory and emotional experience, essentially painful stimulus associated with actual or potential tissue damage. Balms therefore are meant to resolve painful stimulus by relieving pain and stiffness, such as from sore muscles or from arthritis. Balms are typically formulated from quickly evaporating *solvents*, and contain *counterirritant* aromatic chemical compounds such as *methyl Salicylate*, Benzoin resin or *capsaicin*. Balm invariably comes with the prefix 'ayurveda'.

"The compounds used in the tried-and-true formulation of Balms are based on the logic of ayurveda and how plants work. Modern medicine does not yet understand pain. Therefore, it is skeptical of any system that can work with it better. Ayurveda rebalances the vata energies of the body, which helps the whole system to feel less pain", that's what **Dr. Bhaswati Bhattacharya,** MD, MPH, clinical assistant professor of family medicine at Weill-Cornell Medical Center in New York and Director of Research at Wyckoff Heights has to say about it.

Talking more specifically about ayurvedic balms and their pain relieving capabilities, **Dr P K Pramanik,** National Pharmaceutical consultancy Services (NPCS) says, "Ayurvedic balms have been proven to be immensely successful in bringing relief from pains without any side effects, which is why a vast majority of Indian population depend on balms to seek relief." In fact, there is no such need for popping analgesics to get rid of superficial headaches or back pains", he further adds. Besides Gultheria oil, ayurvedic pain relieving balms are also made with essential oils like Saat Pudina, Karpur, Nilgiri Oil, Lavang Oil and Dalchini Oil, among others and there is no evidence of toxicity by these oils either.

The other option to seek relief from pain is analgesic tablet. But prolonged use of these is known to give rise to various gastrointestinal disorders (Source: People not aware of harmful effects of painkillers, study. By: Kimberly Wise, American Gastroenterological Association/ Source: *http://www.medicalnewstoday.com/articles/33959.php)*

Prof. B. K. Gupta, Ex. Head of Dpt. of Pharmaceutical Technology (Jadavpur University) says, "Proven efficacy and the absence of toxicity are the main reasons for the faith of millions of people in our 5000 years old tradition of Ayurveda. Allopathic drug manufacturers have tried to question the credibility of our time tested heritage of Ayurvedic medicines. We should be conscious of such propagandas."

Pains are inevitable. But when there are easy and safe way outs, why suffer them with an unnecessary Hamletian dilemma?

MYTHS	FACTS
Balms are counter irritants only.	Essential oils in pain balms possess clinical efficacy through analgesic, soothing and cooling properties.
Methyl Salicylate (Oil of Gaultheria) is toxic: excessive use can lead to poisonous build up in blood.	Methyl Salicylate is commonly used as an OTC product in Balm & Aroma oils without any serious report of adverse effects. Some popular pain relieving creams contain up to 30% Methyl Salicylate. It is an FDA-approved component
Balm can not cure pain: only relief can be experienced.	Pain is often subjective. Sometimes, treatment of an underlying cause-like sinusitis, tumors, bony deformity, helps. Numerous clinical research papers are available on Pub Med (The online worldwide compendium of scientific medical studies) about the side-effects of analgesic tablets.
Ingredients are not available in the product as mentioned on the label.	As per GMP/ISO/HACCP standards it is mandatory to declare active ingredients on the label of product.

LAST BUT NOT LEAST

PERSONAL TECH 122 SMART EXECUTIVE 126 PEOPLEBUSINESS 134

Double Role

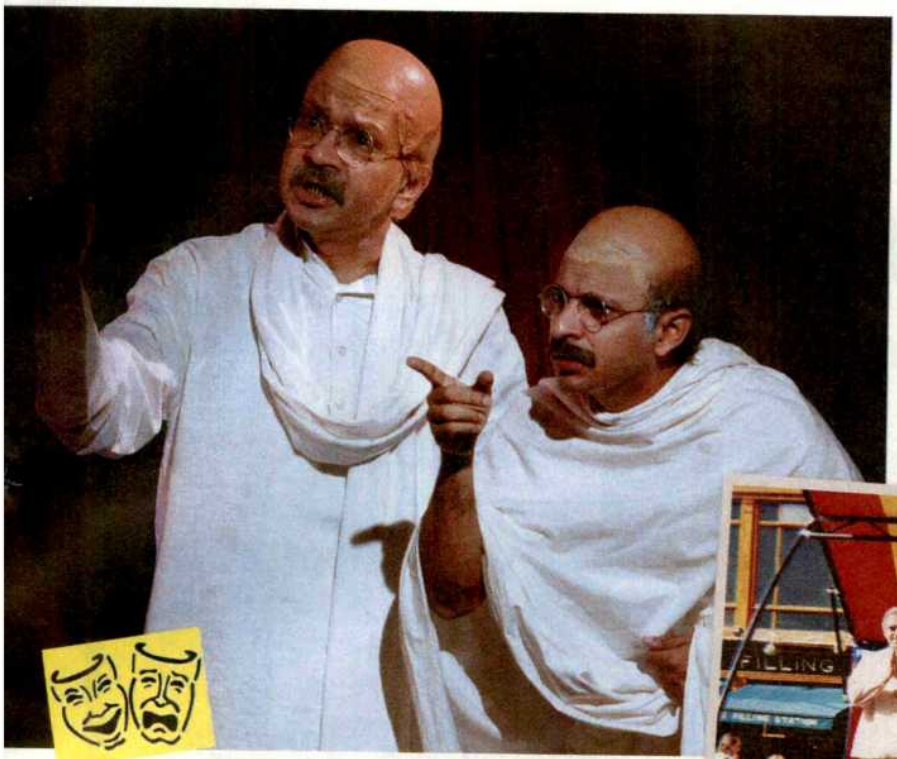
All the world is a stage for some executives who clearly enjoy their exits and entrances. BY ANUSHA SUBRAMANIAN

In another life, Rajeev Ravindranathan would like to be born as an actor and not juggle his life between two professions, as he is doing in this life. In this current life, he has been slipping into many roles — sometimes as an 18-year-old fascinated by his newly-attained manhood in the play *Gentleman*, sometimes as a corrupt cop and his hallucinations in Irvine Welsh's *Filth*.

Co-founder and Creative Director at People Design and Communications in Bangalore, Ravindranathan's dalliance with theatre started in his school. "I enjoyed being on stage and performing," he says. When he stepped into the world of advertising, Ravindranathan found many similarities with theatre. According to him, advertising and theatre are both about connecting with the target audience, and telling a story well. "Now, the jugglery has become a fine art," grins Ravindranathan.

There are many like Ravindranathan who are leading a double life, flipping effortlessly

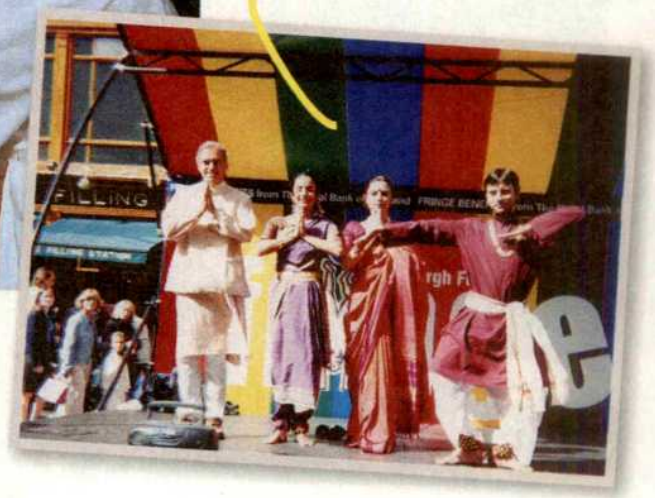
NAME: Darius Shroff, 59 (left)
PROFESSION: Senior Advocate
LEARNING FROM THEATRE: The ability to deal with egos, be affable and make a tense situation light



NAME: Ravi Dubey, 55 (left)

PROFESSION: Strategic Corporate Consultant

LEARNING FROM THEATRE: It is a microcosm of real life. Theatre teaches you about life, crisis management, coordination and team effort



NAME: Vijay Crishna, 65 (left)

PROFESSION: Corporate Executive

LEARNING FROM THEATRE: Time management; working in teams; understanding people and their motives

between boardrooms and green rooms. For veteran actor Vijay Crishna, Executive Director at Lawkim Motors, a part of Godrej & Boyce, theatre has been second nature to his corporate job, and a source of much satisfaction.

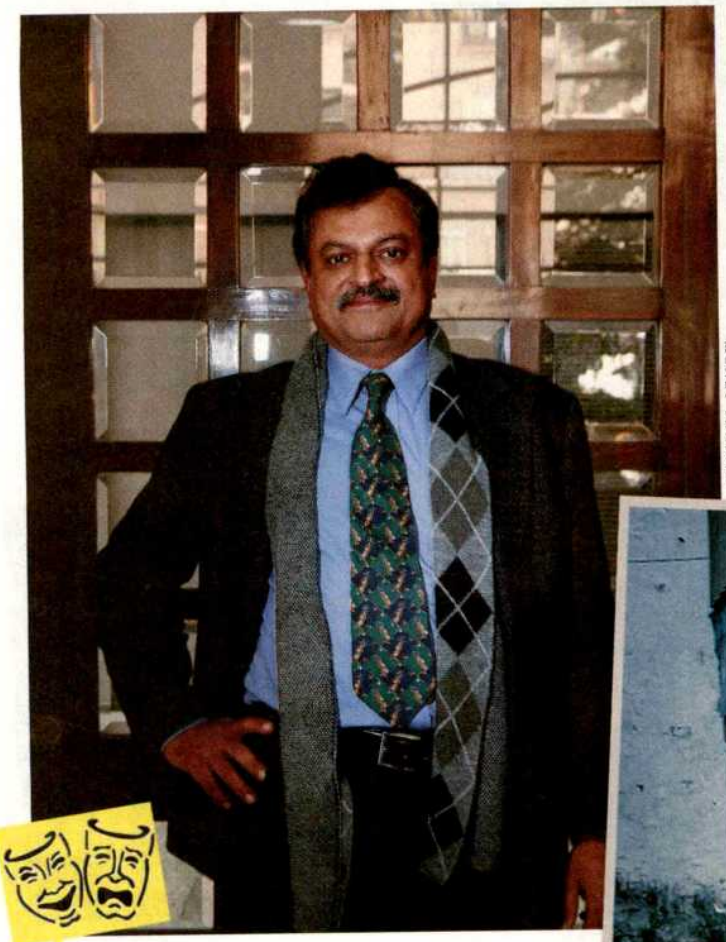
Age has not dampened the spirits of septuagenarian Alyque Padamsee, a well-known advertising and theatre personality. The former chief of ad agency Lintas who recently joined a firm called Planman Marcom as Chief Consultant, is currently doing a comedy play called *The Game* with Sabira Merchant. With this play, Padamsee has returned to acting after a gap of 20 long years. The play has been on for three months and his next performance is in Delhi in early February.

Any play requires at least one month of dedicated rehearsals, which means putting in at least 2-3 hours daily. How do they manage? Says Padamsee: "If you want to juggle two careers, you must have plenty of energy to work 18 hours a day every day. Secondly, time management is important. And third, put your family matters on the back burner."

"You invariably find time out for something you are so passionate about, and most rehearsals are scheduled in the late evening so it is manageable," adds Crishna, who has been performing in theatre relentlessly for the last 45 years.

For veteran actor Ravi Dubey, a strategic corporate consultant, theatre calls for a lot of commitment. Over the years, Dubey has acted in several plays, both in India and overseas. He also held important positions in the Tata Group before he retired from the group. A self-proclaimed maverick, Dubey says: "Unless you are a maverick and unless you are a dreamer you cannot achieve anything new."

Theatre is about many things but not money. Many look at it as an escape from tedium and the rat race. Darius Shroff, a Mumbai-based senior advocate, and Sanjiv Desai, Senior Partner at Transearch India, an executive search firm in Delhi, feel that now may be the time to give theatre a higher billing. "Now, after having achieved a certain stature in my career, I am comfortable to get back to theatre," says Shroff, who has done plays like *Man of La Mancha* and a one-act show called *I Want*



MONEY SHARMA

NAME: Sanjiv Desai, 50
PROFESSION: Executive Search
LEARNING FROM THEATRE: Improvement in communication skills; ability to understand body language and facial expressions of clients

NAME: Rajeev Ravindranathan, 34
PROFESSION: Advertising
LEARNING FROM THEATRE: Both theatre and advertising are related; you cannot take your audience for granted

Coconuts. Adds Desai: "I love acting, and the feeling of being on stage. I look forward to getting feedback for my performances, and like putting in a joint effort with my team on stage."

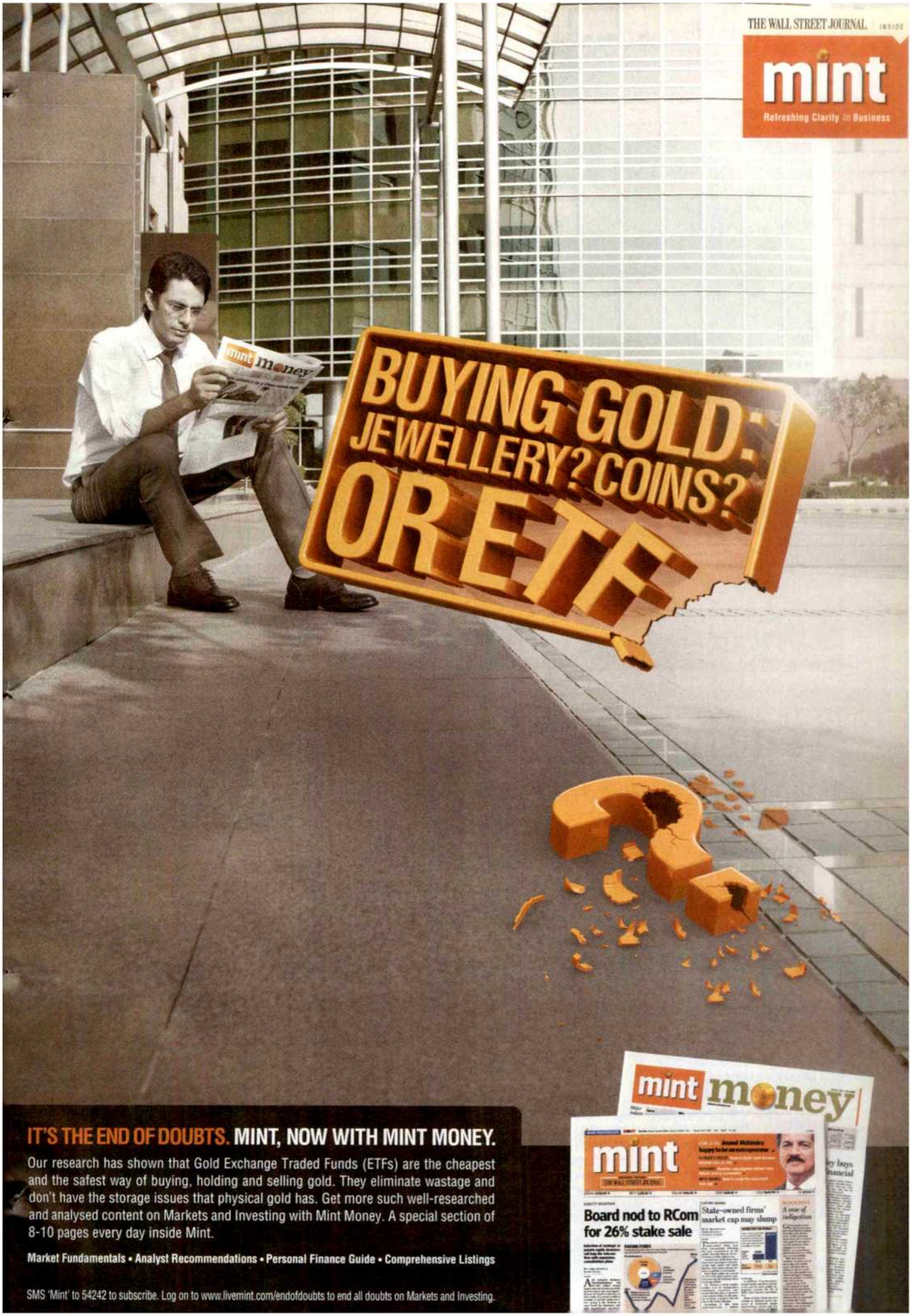
For these moonlighters, theatre is also a great teacher — of teamwork, decision-making and coordination, time and crisis management, relationships, about life itself. "Theatre is a microcosm of life, and it teaches you everything," says Dubey. Padamsee points out that he has injected the discipline associated with theatre into advertising. For instance, one has to be on time for rehearsals and at the office, too.

A role in a play and one in a corporate milieu could not be more distinct, but there are a few similarities, too. As Crishna says: "The preparatory work for a play is very similar to preparing for a new project assignment in a corporate job. The only difference is that a corporate project can take longer than a play."

Shroff adds that theatre has helped him improve his diction and speech delivery in the court room. "Thanks to theatre, I can raise my voice as loud as I want to, and can also lower it as low as I want to," he points out for good measure.

Pursuing any hobby seriously along with a corporate career is clearly not a bad idea. It can be a stress buster and freshens you up for new challenges in your career. And one of the best effects, say many of the managers-cum-actors, is that theatre keeps you grounded. You may be a senior manager in your corporate life, but at rehearsals and on stage all are equal as each plays his or her part. ◆

ADDITIONAL REPORTING BY ANUMEHA CHATURVEDI


THE WALL STREET JOURNAL. INSIDE
mint
Refreshing Clarity In Business
BUYING GOLD:
JEWELLERY? COINS?
OR ETF
IT'S THE END OF DOUBTS. MINT, NOW WITH MINT MONEY.
Our research has shown that Gold Exchange Traded Funds (ETFs) are the cheapest and the safest way of buying, holding and selling gold. They eliminate wastage and don't have the storage issues that physical gold has. Get more such well-researched and analysed content on Markets and Investing with Mint Money. A special section of 8-10 pages every day inside Mint.
Market Fundamentals • Analyst Recommendations • Personal Finance Guide • Comprehensive Listings
SMS 'Mint' to 54242 to subscribe. Log on to www.livemint.com/endofdoubts to end all doubts on Markets and Investing.
mint money
mint
Board nod to RCom for 26% stake sale
State-owned firms' market cap may slump

Audi A8L 4.2FSI

Teutonic Beast

We drive the latest luxury vehicle in town. By Kushan Mitra

The Audi A8L is larger than some yachts at 5.27 metres but the length does not compromise the car's driving dynamics. It is surprisingly nimble, in part because of the aluminium body, and Audi's 30-year-old Quattro technology, which sends power to all four wheels. The car is being introduced with a 4.2 litre V8 petrol injection engine, which delivers 372 horsepower. This means that despite its heft and length, the performance is excellent even though the car returns between six or seven kilometres to a litre. In terms of gadgetry, there are tonnes of toys, including a touchpad on the front console. It can recognise handwriting, so that you do not need to take your eyes off the road.

Most people in India who buy the A8 will probably never drive it. The back seat, one of the nicest places to be in, has an executive seat option, which includes an excellent massager built into the chair and an entertainment system with wireless headphones. Though this is a vehicle to be driven in through the week, when the weekend comes you can give the chauffeur his time off and enjoy the car. ◆

FACTOID

In 2010, Audi, BMW and Mercedes between them sold over 15,000 units in India. At an average price of ₹40 lakh, this values the luxury car market at ₹6,000 crore (net of excise) in 2010. One could buy over 300,000 Tata Nanos for that kind of money.

"Luxury Vehicles Sales Will Grow 20% Annually"

On the eve of Audi's latest car launch in India, **MICHAEL PERSCHKE**, *MD, Audi India, spoke to* **KUSHAN MITRA** *on why he feels bullish about his company's plans for India.*

How was 2010 for Audi in India?

In 2010 we sold 3,003 cars, a 81 per cent growth year-on-year. We also opened several new dealerships, expanding the network to 14.

What are your plans this year and what role will smaller towns play in them?

We plan to expand our dealer network to about 18 or 20 by the end of the year and increase our sales at least 50 per cent. We will be opening dealerships in Ludhiana, Indore and Surat, which speaks of the role smaller towns will play in our growth.

What are your product plans for 2011?

Right now we are launching the long-wheelbase version of the A8, which should give us a competitive edge in the top-end of the premium car segment. Around the third quarter, we will launch the A7 Sportback and the new A6 in the fourth quarter.

How do you see the luxury car market growing in India?

I believe that by 2020 the Indian automotive market will be five million units annually and that luxury vehicles will make up two per cent of the market. This will be less than China where luxury vehicles account for six per cent of the market already, but this will represent a 20 per cent growth over the next decade for luxury vehicles. I see Audi India having a 28 to 30 per cent share of this market.

Can the Kizashi Make a Mark?

Booz and Company partner Vikas Sehgal, who handles the automobiles practice at the consultancy, is generally not happy with Maruti-Suzuki. He feels that the India company pays far too much in technology royalty (5.5 per cent of revenues) to its parent company, Suzuki Motor Company, Japan. The Kizashi has added to his ire: he feels the Japanese parent is not using that money well.

"Suzuki is a small-car company, they do not have the expertise to build larger vehicles nor do they have the distribution and sales structure to support a vehicle like the Kizashi in markets where a car of this size matters, such as the United States," argues Sehgal. He believes that instead of spending a billion-odd dollars "of Maruti's money" on developing the Kizashi, Suzuki should have invested in expanding the production facilities here, and its small-car portfolio.

During a recent tour of Maruti Suzuki's Gurgaon plant, M.M. Singh, Managing Executive Officer for Production, argued that Maruti's production expertise had allowed it to wring much more out of its plants than the rated capacity. In 2010, for example, it produced 1.2 million cars from a rated capacity of just over 900,000. With two more lines at Manesar due to add a capacity of 500,000 cars by 2012, Singh has no doubt Maruti will be able to keep up with demand.

Sehgal is not impressed. "There will be increased fragmentation of the small-car market, which will demand more products, which would mean more complexity on production lines. That in turn leads to reduced efficiency."

As for the Kizashi, Mayank Pareek, Maruti's Managing Executive Officer for Marketing and Sales, feels that the car will not be a complete washout like Grand Vitara, the last car the company sold in the ₹10-lakh-plus segment. "We have learnt our lessons," he says. But, that only time (and sales data) will tell. ◆

Suzuki Kizashi

The Suzuki Kizashi drove nicely when we took it for a spin along a 100 km loop on NH76 outside Udaipur. The car's manual transmission model is fun, though the automatic is better for life inside the city. Ride quality is about as good as the Honda Accord, and the 2.4-litre engine is peppy enough and delivered an economical 11.5 km to a litre on the highway.

2011: A Data Odyssey

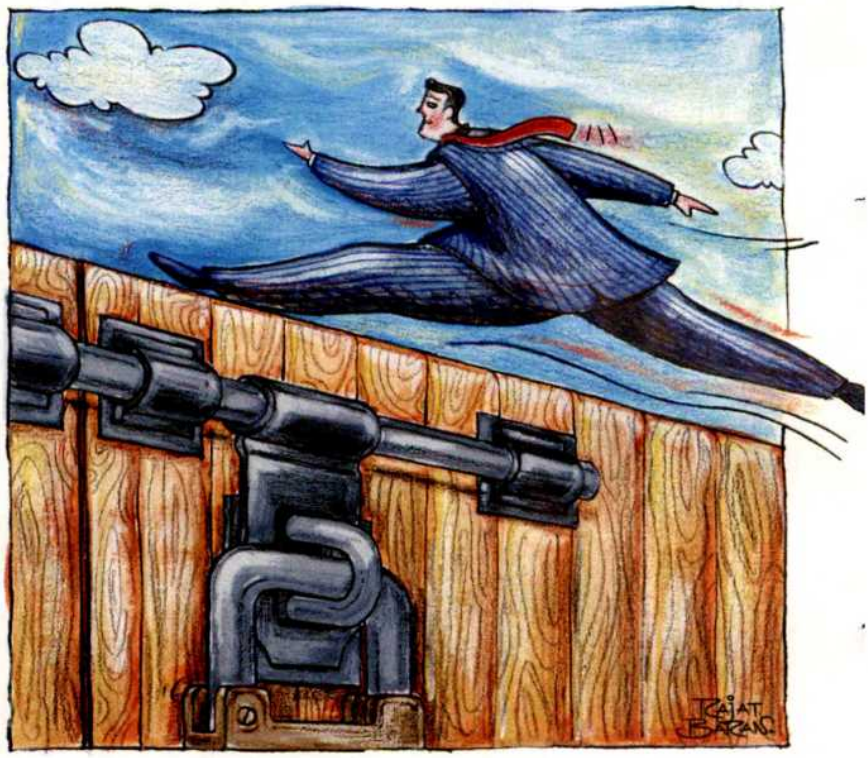
We hope this year millions of Indians will be able to bridge the digital divide

Read any story in foreign publications about how mobile phones have transformed India and chances are that you will see a horribly clichéd picture — a *sadhu* or a mahout or someone from a slum. While these are also faces of India, this imagery is getting a bit old. Five years from now, the picture of a slum could change to something else as the foreign publications will write about how India was transformed by data — things other than plain voice, such as text messages, video calls and so on.

A study by the Indian Council for Research on International Economic Relations a few years ago had noted the positive impact of voice telephony on the gross domestic product of states — those with higher mobile penetration had higher rates of growth. More importantly, the study showed that access to information plays a vital role in improving rural incomes. This applies to urban audiences as well, poor and not so poor. Easier access to information will be as vital as gigantic social programmes in raising income levels.

For instance, farmers in many places are already able to track the price of their produce at the nearest *mandi* and also find out how much their produce is selling for in the big cities, and set their price accordingly. The other big thing will be education and health care where video calls will transform the reach of such services.

And there will be immense social change — the mobile has undoubtedly been the biggest change agent in a socially-conservative country such as India. Video calls will change that, for better or worse.



RAJAT BARAN

On the face of it, access to better data is what 2011 promises for Indians. Will third-generation or 3G mobile services live up to the hype? Possibly not. Thanks to India's messy spectrum allocation, not enough spectrum has been auctioned to provide an excellent quality of service. Also, while finance ministry mandarins gloated over the money the auctions generated, chances are that operators will price data at higher rates than they would have done if the licence fee had been priced lower. Plan details already available indicate that no operator is keeping an "all-you-can-eat" data plan and while sipping on data is relatively inexpensive, it is still not what one would call "cheap".

And then, there are the security agencies. Admittedly, India has a unique situation in the world. For almost three decades the country has faced one insurrection after another. But it is bizarre to argue that ordinary citizens should not be able to use data simply because those against the country can use it. Again, mandarins in the home ministry look wistfully at China and wish they had the same level of control over the Internet that the Chinese authorities have. According to a recent news report, the home ministry even wanted a ban on data services, including video calls, unless they were able to intercept them in real time. ◆

Sustainability is Not a Buzzword

Adam Werbach's advice is very timely, writes Somnath Dasgupta

Strategy for Sustainability

Author: Adam Werbach
Publisher: Harvard Business Press
Pages: 226 | Price: ₹750

If a company makes capital investments in sustainability with long-term viability in mind, it is generally rewarded

The combined share of India and China in the world economy will grow three-fold to 34 per cent by the year 2030, with India's share alone increasing from two per cent to 10 per cent. But India has a demographic edge over China, in that it will have a larger "young workforce". Such forecasts for India have become commonplace over the past couple of years, but they are one aspect of the growth picture.

The other, and more important, aspect is what India will have to do to actually get there. Build expressways, railroads and ports like mad, dig up vast forested areas to get at the minerals that lie beneath them, burn more petroleum products, tackle an urban explosion and so on.

Unchecked, this growth could turn India into an economic powerhouse that is also an environmental wasteland, much like what has already happened across large swathes of China. Excessive checks could cripple big industry and deprive India of the scale it needs to tackle its problems. Over the past few years, there has been a standoff between the two sides of the argument, and the situation has taken a violent turn in many places, with land acquirers pitted against the land losers.

Adam Werbach did not write this book (his second) with India in mind, although he nowadays tracks happenings in India (follow him on twitter @adamwerbach). Nor is sustainability a new term. Some companies, such as ITC under Y.C. Deveshwar have been working on sustainability for a decade now. Others such as Sajjan Jindal's JSW Steel got some key bits right when it came to land acquisition. But the book should be a valuable tool for companies in India — a tool that goes beyond charity-type corporate social responsibility or CSR.

Werbach, 37, tells companies how to work out a strategy for sustainability, and he is no B-school theorist. At 23, he was elected president of the Sierra Club, the oldest environmental organisation in the United States. Later, he founded Act Now to offer consultancy on sustainability strategies. Things got confusing for his fans when he did some pioneering work within Walmart, the world's largest retailer and also the arch foe of the environmental movement. He was also on the board of Greenpeace. Three years ago, Act Now merged into Saatchi & Saatchi to form the advertising and communication giant's new sustainability arm, Saatchi & Saatchi S.

The Four Components

So what exactly is sustainability? Werbach, who was in India recently, told BT: "The easiest definition is, there is environmental and green, and there is sustainability, which includes social, economic and cultural factors as well as the environment." Werbach refers to this as the Blue

movement— the Earth is mostly blue, mostly water. The components are co-equal: all of them play an equally important role.

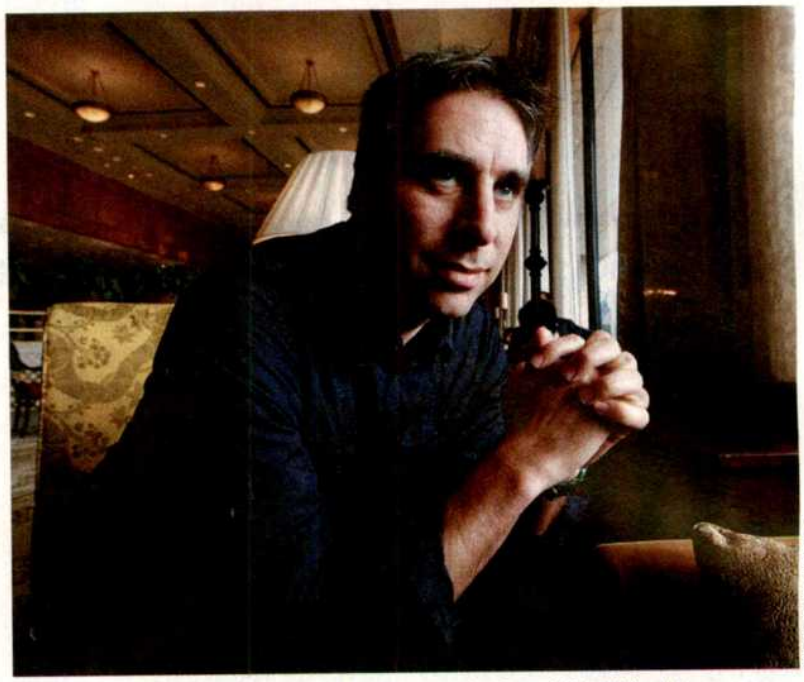
Sustainability in a business context is long-term profitability. CSR, according to Werbach, is very frequently about philanthrophy and about social licence, and it sits away from the core of the business. "It's about being perceived better and about giving donations to offset the bad things you do," he says.

The book offers quite a few strategy tools. First, set a North Star goal. "A North Star goal is bigger than a BHAG, what Jim Collins calls a Big Hairy Audacious Goal, because it ties in societal change and a social purpose into a business goal," he says.

For India, he says, the first priority for the next 30 years is the 600 million people who do not have an adequate standard of living. That is the economic and social goal. The environment is going to come second. But, can protecting the environment and maintaining the natural resources be a way to encourage development? Werbach says this is a competitive challenge that India will face in the global world, because the country can develop itself by destroying all its natural resources, and find itself struggling 30 years from now.

"You do not have the societal licence to grow unless you maintain the natural assets of India...In my very basic knowledge of the issue, companies have been foolish, they have moved far too quickly, they have not been able to gauge local concerns adequately," Werbach says.

At Saatchi, Werbach works inside the organisation to make the company's own practices better, and advises clients on how to make sustainability the core of their business model. The approaches can be different. With Walmart, the work was internal. With Vestas, the largest wind company in the world, it is marketing work. "For us, sustainability is not just a philanthropic or CSR activity, it's a business opportunity," says Werbach.



SHEKHAR GHOSH

Adam Werbach: Do something radical before your business is in total crisis

Monitor Cash Flow, Not Earnings

But how can a company make sustainability the core of its business if its managers are focused on their stock options, and the CEO on its share price? Werbach says he prefers to look at cash flow rather than earnings. "Earnings have become so complex and so gamed that it is hard to see the long-term potential," he says.

Quite frequently, a company will begin its strategy for sustainability during a time of duress and challenge, when it is being attacked by economic as well as societal forces at the same time. But if a company makes capital investments in sustainability with long-term viability in mind, it is generally rewarded.

A product, he says, could die tomorrow but the brand does not. Werbach was once hired by a music company to help it develop its sustainability strategies. "I basically said, 'Okay here's what you do, you go digital, you stop selling CDs. You will be the first record company to do this'," he recalls telling them.

Two things happened: The officials laughed. And Werbach got fired. "What they really wanted was to make CD covers out of recycled materials, when I was trying to tell them, 'Do something radical, your business is in total crisis!'," he recalls.

Werbach's book is a good guide for Indian companies tackling demand rates that are the envy of their western counterparts, but stymied by environmental protests. Instead of having to slow to a crawl like the Rajdhani Express in north India's winter fog, they can rework their strategies to make societal concerns as well as employee lives part of their growth. And profits.

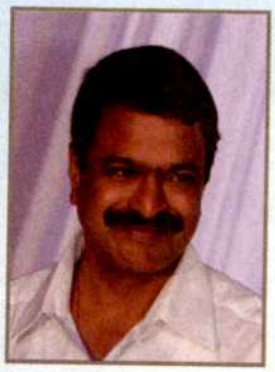
As for Werbach, there's just one thing that could confuse his followers: Is he now part of the Establishment? He ducks that neatly. "I don't think I'll ever be established," he laughs. ◆

Gangavaram Port

Coast Effective

A natural harbour in the Balacheruvu lagoon near Visakhapatnam on the eastern seaboard beckons for it has emerged as the deepest and most efficient port in the country. This is Gangavaram – a modern, all weather, deepwater, multipurpose and truly next generation port – offering services that have no parallel anywhere along India's 7517 km long coast line. Its managers, Gangavaram Port Limited, offer strategic advantages like deep draft berths, advanced material handling and evacuation system along with vast storage areas for all type of cargo and extensive ancillary facilities to its users, making it a better draw than Visakahapatnam and Paradip. What is more these advantages translate into dramatic cost savings.

Given its proximity to Visakhapatnam , the port is emerging as the favored hub for major steel factories on the east and west coasts, merchant exporters of iron ore to China and Japan , and merchant importers of steam coal, fertilisers, petroleum products, vegetable oil and chemicals. Thanks to a judicious mix of logistics and modern equipment the Gangavaram has created historic milestones like handling the first fully loaded Capesize vessel.



D V S Raju
Chairman &
Managing Director

The Gangavaram port has created national history in the performances of ports all over India on more than one occasion. The Gangavaram port created a national record by discharging 80,514 MT of Coal in 24 hours from Cape size vessel "MV China". It has handled the largest coal vessel to have called at any Indian Port by handling Cape size vessel "MV Rubin Artiems" (151,396 dwt).It managed to discharge 48,545 MT of Coal in 24 hours from a Handymax vessel. This port created a national record by discharging 612 packages / 4497.502 MT of Project Cargo in a single day.

Apart from tapping the location advantage, GPL has learnt vital lessons and found that the key challenges are the need for large tracts uninhabited land, a holistic environmental plan, rail and road connectivity, the presence of an industrially developed hinterland and greater depth to cater to larger sized ships. GPL is being developed to cater to the need of existing industries in the hinterland. Assured cargo will also flow to and from high and captive user groups like the Vizag Steel Plant and NTPC-Simhadri Power plant.

The Gangavaram Port offers substantial cost savings to importers and exporters through reduced per ton ocean-freight owing to larger parcel sizes at deep-draft berths and reduced waiting time with faster turnaround of vessels owing to highly efficient port operations and latest environmentally-friendly cargo handling equipments. There is a cost-efficient logistic solution owing to high-speed cargo evacuation systems and proximity to national/regional road/rail network. There are exclusive berthing facilities for Iron ore and coal in a total of five Berthing Facilities. There is a facility for mechanized iron ore and coal handling system for vessel size upto 200,000 DWT. The port has a mechanized wagon loading and wagon tippling system. There are modern mobile harbor cranes for other bulk and break bulk cargoes and iron ore stackyard and coal stackyard with storage capacity of 1 MMT and 2 MMT respectively.

More than 520 vessels have utilized the services of this port with nil pre-berthing delay ensuring congestion free and efficient port operations. The Gangavaram port has handled more than 40 Cape size vessels and more than 190 Panamax vessels and nearly more than 3000 railway rakes to and from various locations in Maharashtra , Karnataka, Madhya Pradesh, Chattisgarh, Jharkhand West Bengal, Orissa and Andhra Pradesh. An excusive 4-lane expressway connects the port with the National Highway No.5 running from Chennai to Kolkata, thus connecting the port to the entire national road network.

The Master Plan for the port has provision for 29 berths with a capacity of 200 MTPA. Gangavaram port has been developed by a consortium led by Mr. D.V.S.Raju, Chairman, GPL with the Andhra Pradesh government and Warburg Pincus being the other equity partners. As it reduces the ship turnaround and waiting time, besides reducing per tonne ocean freight owing to large parcel sizes at deep draft berths Gangavaram is India 's Hope Harbour .

SAUMYA BHATTACHARYA

When Not to Be a Leader

Leadership is not necessarily the logical or even desired career progression

A Technical Lead at one of the top information technology services firms recently told me that she had a tough time turning down a managerial role. She has some five years of experience and is perfectly happy being a Java specialist. "This is where I want to grow; I do not want to get into people management. But am I doing the right thing for the long term," she worried.

Well, the lady does not, perhaps, realise it, but she is already in a leadership role — that of intellectual leadership. Leadership is no longer just about leading people, businesses and organisations. More and more companies, especially in technology, are creating and finding paths for domain specialists. Yet, the dilemma whether to stay in niche roles or move out into people management continues to bother domain specialists, especially at the early stages of their careers.

Bimal Rath, Co-founder of Think Talent and former human resources head of Nokia, says that there is a social and monetary pressure at the junior and middle levels to take up people management roles as they are attractive in monetary and designation terms. Also, "people manager" is perceived to be a more powerful role.

So, the first step is to understand what you want in the long term. "A domain specialist needs to figure out where the real long-term success lies," says Rath. If you are clear that you are a domain specialist, tell your organisation as much. "More and more organisations understand and appreciate that. For example, it is better to have a great technical lead rather than a lousy people manager," he says.

RAJAT BARAN

Leadership is no longer just about leading people, businesses and organisations. More and more companies, especially in technology, are creating and finding paths for domain specialists

So, when should you turn down or not ask for a leadership role? Meena Surie Wilson, Senior Enterprise Associate with the Research, Innovation and Product Development Group of the Center for Creative Leadership — Asia Pacific, lists three scenarios when you can refuse a leadership role. First, when you are committed to advancing your professional expertise — for example as a surgeon, a lawyer, a researcher, and so forth. Assuming a leadership or a managerial role will get in the way of your becoming an expert in your line, as it often takes years to develop professional expertise. Second, professionals can lose the respect of their peers if they are diverted from developing their own expertise and assume an administrative role too early in their career. Third, and, perhaps, the most important, when you are convinced that you are not the kind of person who wants to guide the work of others — not now, not ever.

Figuring out this last bit is crucial because getting into managerial and people roles does have its tangible benefits. Knowledge about other people is fostered. "In essence, leadership is involvement with others — setting direction, aligning others' work, and gaining their commitment," says Wilson. Traditionally, managerial positions command a higher salary. Plus, you get insights into business and strategy leadership.

What if you are offered a managerial or leadership position this appraisal season? If you are an outstanding domain specialist, go ahead and speak up your mind. However, if you have any doubts or are not clear in terms of your long-term career plans, it is better to take up the offer. But while doing that, ask your organisation for training and development. Your company may be willing to enrol you in a leadership development programme. "Companies must take the onus of creating managers," says Rath. And you might just discover a new domain you are good at — people skills. ◆

As Good as IT Gets

IT and ITeS stage a smart rebound. Hiring volumes are set to go up.

BY SAUMYA BHATTACHARYA and ANUMEHA CHATURVEDI

SANTOSH KUSHWAHA

What is the biggest worry of information technology, or IT, companies going into 2011? With the job market looking up, it is employee attrition. The sector is hiring in big numbers. Little surprise then that in the BT-TeamLease Employment Outlook Survey for the January-March 2011 quarter, the employment outlook for the sector rises to 82 percentage points — the most in the last 10 quarters.

Says Nandita Gurjar, Senior Vice President and Group Head of Human Resources at Infosys Technologies, one of the largest hirers in IT services in India: "The optimism is back in the industry. After two years, we are seeing a lot of positive movement in terms of hiring." Gurjar, however, cautions that hiring in the sector is due to people moving around and not necessarily a function of new jobs getting created.

Kamal Karanth, Managing Director in India of leading staffing and recruitment company Kelly Services, however, is clear that in terms of hiring numbers, IT takes the lead. "We are talking 60,000-80,000 jobs in IT in the January-March 2011 quarter," says Karanth.

Smaller firms such as Geometric, which deals with engineering solutions, services and technologies, are ramping up, too. "The next ramp up continues to be in a couple of hundreds. The profiles in demand are in vanilla as well as niche skills in the software and engineering services," says Rani Desai, VP and Head of HR & Organisational Development at Geometric.

Other sectors hold steady, too, especially IT-enabled Services, or ITeS, which seems to be following IT in volumes. Retail & fast moving consumer goods, or FMCG, have kept up

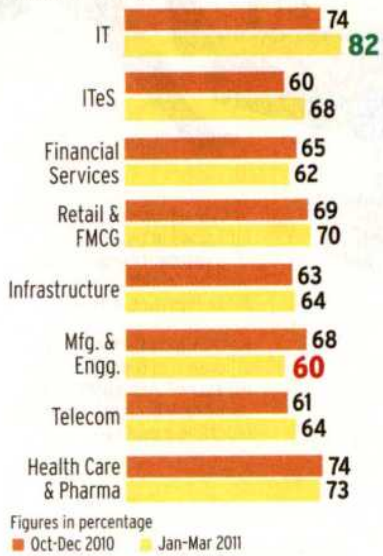
SHEKHAR GHOSH

"The market is opening up... FMCG will once again become the foundation for picking talent for other sectors"

V. Krishnan (R), VP, HR, Dabur India

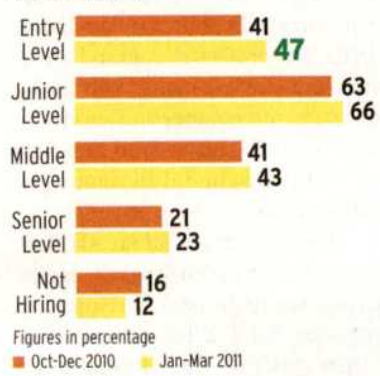
Manufacturing Trips

(Jobs across sectors)



More Jobs at Entry Level

(Jobs across levels)



RAVI SHANKAR

the momentum, so have telecom and infrastructure. The sector that seems to be losing momentum at least for this quarter is manufacturing & engineering. It has seen a drop of eight percentage points to 60 index points, the lowest for any sector this quarter.

Spread across eight cities — Mumbai, Delhi, Bangalore, Kolkata, Chennai, Pune, Hyderabad and Ahmedabad — the survey drew responses from 620 companies across eight sectors — IT, ITeS, Financial Services, Retail & FMCG, Infrastructure, Manufacturing & Engineering, Telecom, and Health Care & Pharma. Overall, the Net Employment Outlook Index has increased by a single percentage point and the Business Outlook Index has increased by two percentage points.

The three sectors in the limelight this quarter — IT, ITeS, and Retail & FMCG — have all touched their respective 12-month highs in business outlook this quarter. The business sentiment for Retail & FMCG has shot up by 10 percentage points to 77 index points, but the hiring intentions remain cautious with an increase of one percentage point to 70 index points. Talent acquisition heads in Retail & FMCG, however, see this business sentiment translating into more jobs in the first two quarters of 2011.

Says V. Krishnan, VP of HR at Dabur India: "The market is opening up and all FMCG companies are doing well. With the favourable economic growth, impressive expansion of other sectors like telecom, FMCG will once again become the foundation for picking talent for other sectors."

Dabur is hiring across functions and levels. Over the next one year, the company plans to add about 80-100 people on its payroll and as stockists. Dabur has entered the skin care segment rather vigorously and over the past three to four months, it has hired 175 women as beauty advisors through third-party channels. It plans to take this number to 350 by the end of March. "Both company and third-party hiring have gone up. We hired a lot of senior-level executives in the south in the last quarter, owing to our southern expansion," adds Krishnan.

Samsung India has already readied plans to hire more than 500 in the first quarter. Says Sanjay Bali, VP of HR at Samsung India: "We will be hiring in Sales & Marketing as well as R&D."

Experienced talent is back in demand. Middle-level managers, who had borne the brunt of the last slowdown, are being hired across

companies as well as sectors. "With business sustaining positive sentiment over the last few quarters, a lot of cross-sector movement is being seen in the middle level," says Karanth.

A case in point is Samsung India. The company is hiring business heads not only from consumer durable companies, but also from other sectors. Raj Kumar Rishi, the new AV Business Head, has come from HP India, where he was Director of Inkjet & Web Solutions and Consumer Business. The company has also roped in Mahesh Krishnan as VP and Head of Home Appliance business. He was VP and SO Leader at Philips Electronics India prior to joining Samsung India.

HR experts such as Dhananjay Bansod, Chief People Officer at Deloitte India, see a churn at the senior level, too. "The job market is opening up, and the positions left empty at the time of recession are being filled up. A churn may take place at the senior level, at the top of the pyramid, but it will take at least 6-9 months for an increase in volumes," he says.

Hiring at Deloitte has gone up over the last three quarters, as there has been an increase in the demand for services and the business has expanded in terms of volumes. "We will hire about 400 people in the current quarter, and the maximum hirings are at the level of 0-7 years, for the positions of consultants, senior consultants and analysts," Bansod adds.

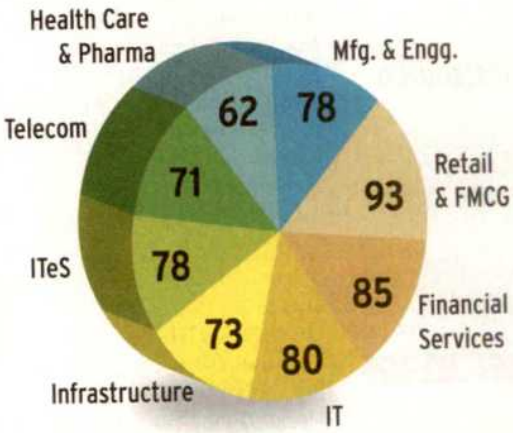
The blue-collar function, a largely below-the-radar area, accelerates hiring intent by an impressive six percentage points. Tier-II cities push harder this quarter and more employers are looking to hire from the lesser tapped labour market. There is a two percentage point increase in the intent to hire from such cities. The metros hold on to their domination and add a single percentage point to the hiring intent. Hiring is showing strong growth at entry levels, up six percentage points and a modest three percentage points at junior levels.

In the first quarter of 2011, there is something for everyone in the job market. ◆

Methodology

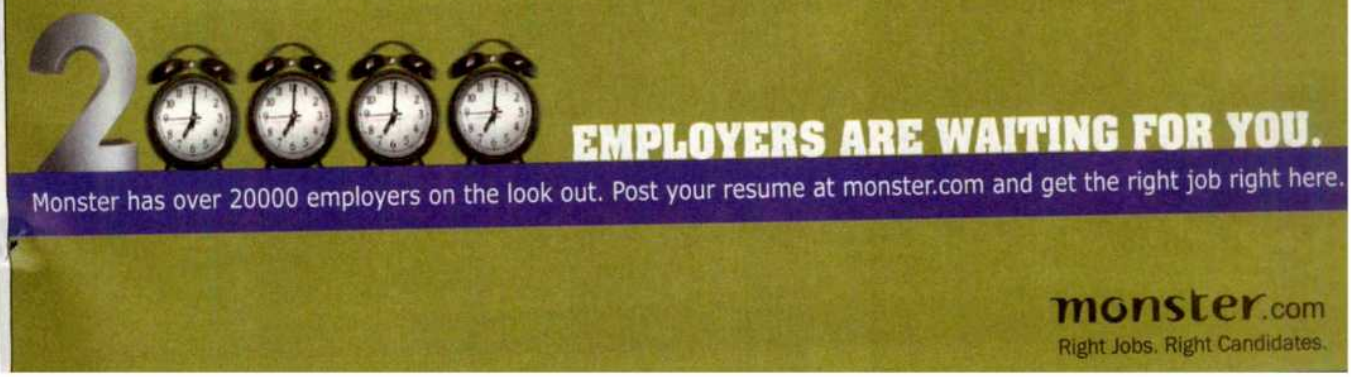
The BT-TeamLease Employment Outlook Survey, which follows a rigorous, statistically validated process, was conducted among 620 companies. These were selected from the Kompass Directory for small, medium and large companies in the private sector, from NASSCOM for information technology, or IT, companies, from companies registered with *www.bpoindia.org* for IT-enabled services companies, and the National Stock Exchange, or NSE. Care was taken to ensure a good mix of large, medium and small companies as also an equitable representation across industries to remove any bias or variation that might be attributable to a particular industry. The target respondents at these companies were the HR heads or decision makers in the hiring process. Given the concentration of companies in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Pune, Hyderabad and Ahmedabad, the study was restricted to companies with a presence in these cities. A random sampling was drawn from each city with due weightage to size. Two indices, the Employment Outlook Index and the Business Outlook Index, were computed to elaborate and analyse the trends that emerged from the data.

Sectorwise Break-up



Total = 620

SANTOSH KUSHWAHA



Senior Management Jobs brought to you by monster.com

Knight Frank India Pvt. Ltd.
Regional Director – North
Location: Gurgaon
Job ID: 8832730
Description: Should be an MBA (Mktg/Fin). Ideally have experience between 12 – 18 years out of which 8-10 yrs in Real Estate sector. Should have been a profit centre head for a region, heading multi disciplinary team.

Omnitech InfoSolutions Ltd
Senior Test Engineer
Location: Hyderabad
Job ID: 9068934
Description: Looking for Sr.Software Test Engineer with Omnitech Infosolution and will be deputed at leading client in Hyderabad.

UST Global
Senior Manager - Performance Mgmt & OD
Location: Thiruvananthapuram
Job ID: 8904118
Description: UST Talent and Performance Mgmt Mgr is responsible for managing and supporting the planning, implementation and improvement of human resources talent mgmt functions to include performance mgmt, change mgmt.

Markwin Global
GM Plant Management (MEP)
Location: Delhi
Job ID: 9148997
Description: Aspirant should have thorough understanding & knowledge of procuring, maintaining &managing construction equipment and heavy machinery of large construction projects.

Firstsource Solutions Limited
Project Manager - E-Publishing
Location: Chennai
Job ID: 8966406
Description: Work with the team to jointly develop goals and action plans for the Solution Centre.

Suzlon Energy Ltd
Deputy Manager -Process Technology.
Location: Vadodara
Job ID: 8959558
Description: Improve Techniques, methods in achieving Zero defects in manufacturing processes at minimal cycle times.

Oracle
Oracle Senior DBA
Location: Bangalore
Job ID: 8898880
Description: The main role of a Support engineer is to troubleshoot highly complex technical problems (Oracle Database) requiring high level of technical expertise.

Negolice India Limited (M2K group)
Trainer (Organic Food Industry)
Location: Delhi
Job ID: 9143546
Description: Responsible for strategic planning and the management of developing, implementing and maintaining appropriate business training programs.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

IT Jobs brought to you by monster.com

iOPEX Technologies
QA- Lead
Location: Chennai
Job ID: 9149842
Description: Role: Lead cross-functional QA efforts, driving quality practices into work products throughout the lifecycle of a project.

Tesco Hindustan Service Centre
Principal Software Engineer
Location: Bangalore
Job ID: 9015371
Description: Function: Train SSE, SE's in TIBCO Design & Implementation using expertise in TIBCO Business Works development, administration, Smart Mapper, TIBCO EMS, TIBCO Hawk

ABB Limited
Lotus Notes Admin (LN Admin)
Location: Bangalore
Job ID: 8992321
Description: Duties: First level administration of windows Servers including the daily checklists; configuring the Print servers and resolving printing problems of the users; Taking data backup.

IP Soft India Pvt Ltd
Business Development Manager (BDM) – IT Infrastructure Managed Services
Location: Bangalore
Job ID: 8837434
Description: IP soft, one of the fastest growing MSPs in the world is looking for BDM – IT Infrastructure Managed Services. Exp in selling IT services and solutions/ Telecom/ Data Center services. Great motivation, self driven & result oriented.

Cybage Software Pvt. Ltd.
Software Engineer/ Programmer
Location: Ahmedabad, Gandhinagar
Job ID: 8276936
Description: Aspirant must have experience in Flash / Flex, Action Script 2.0 /3.0, JavaScript. Knowledge of Photoshop, OOPs, HTML, CSS, Adobe AIR, PaperVision3D, Flex charting.

Redknee
Technical Support Engineer
Location: Pune
Job ID: 9152769
Description: Responsibilities: You will provide support for Redknee products deployed on customer sites across the globe; Work to resolve production issues and meet the laid down SLA's etc.

Rolta India Limited
Oracle Apps Projects Technical Consultant
Location: Mumbai
Job ID: 9151153
Description: Candidate must have relevant experience and exposure on Oracle Project Costing & Billing, Project Management, Time & Labor. Exposure on R12 would be added advantage.

Fiserv India Pvt Ltd
Technical Writers
Location: Noida
Job ID: 7678176
Description: He/She must have excellent communication skills (English), preferably aware of American usage; Experience in: Flare 3.0, Frame Maker 7.2, Robo Help, Screen Capture.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button

For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com. We'll get you the right candidate, no matter what.

monster.com
Right Jobs. Right Candidates.

business today

Jobs Today

monster.com

Sales and Marketing Jobs brought to you by monster.com

Hexaware Technologies Limited
Business Development Manager
Location: Mumbai
Job ID: 9147418
Description: Incumbent should be a go-getter, good knowledge of market, proven track record, good team player, positive attitude.

Fidelity Business Services India Pvt Ltd
Primary Research - Specialist
Location: Bangalore
Job ID: 8855006
Description: Lead a team of analysts c research concepts, deliverables and quali Continually enhance depth and quality of wo delivered.

Orissa Doot Private Limited
Sales Officer
Location: Bhubaneshwar
Job ID: 9150088
Description: Applicant must have experience in FMCG/Consumer Products selling; Knowledge of the local area and retail market coverage is a must.

India Mart
Marketing Executive
Location: Bangalore
Job ID: 9055193
Description: To develop new clientele f various web based business solutions offer by India MART.com Consultancy to exporte & manufacturers for business facilitation. - K A/c management- Business relationshi building & management- Hardcore Field Wo

Make My Trip (India) Pvt Ltd
Assistant Manager - Business Development
Location: Bangalore
Job ID: 9150774
Description: Function: Identify key markets and the types of hotel products that would complement our current product offerings and revenue growth.

Infotech Enterprises Limited
Manager - Marketing Strategy Communication
Location: Hyderabad
Job ID: 9110221
Description: Will be responsible f developing and implementing marketi communication strategies which will al include content refinement, messagir copywriting and layout.

Religare Technova IT Services Ltd
Marketing Trainees
Location: Mumbai
Job ID: 8918761
Description: Aspirant must have excellent communication skills; must be target oriented and self motivated.

Mataflex Technologies Pvt Ltd
Branch Manager
Location: Chandigarh
Job ID: 9146558
Description: KRA's: Meet the DSM & analy the day's activities, appointments, objectives closes expected for the day; Monitor T-sa presentations; Develop strategies to approa big prospects.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" buttor

Find the right candidate with Monster's 3 Layer Quality Check

- Profile targeting
- Barrier prompt
- MagicFilter

Try Monster's enhanced Job Posting today. Its one of the many things we do to get you the right candidate.

Call us or email us at sales@monsterindia.com.
Toll free : 1-800-4196666

monster.co
Right Jobs. Right Candidat

Finance Jobs brought to you by monster.com

Kingfisher Airlines Limited
Managerial Role in Accounts
Location: Mumbai
Job ID: 9002702
Description: Functions: override commission calculation & SAP accounting; TDS exemption rate updations; general ledger accounting; fixed assets verifications etc.

Capita India Pvt Ltd
Assistant Manager- Management Accounting
Location: Mumbai
Job ID: 8848780
Description: Role: Liaise with operations and prepare process wise profitability statement across business/locations; Prepare annual business plan; analyze the financial statements.

Tata Chemicals Ltd
Asst. Manager - Costing
Location: India
Job ID: 8571073
Description: Responsibility: Preparation of weekly Cost Sheet and Monthly Cost Sheet; Inventory Valuation; Handling Cost Audit, Statutory Audit; Variance analysis, Reconciliation of inventory change.

WNS Global Services
Accounts Executive
Location: Pune
Job ID: 9103145
Description: Person must have done MBA in finance; must have sound knowledge of mutual funds, capital market, derivatives, journal entries, ledgers, bank reconciliation.

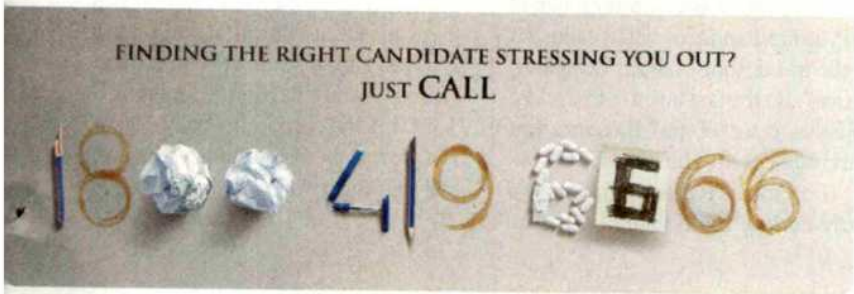
Capgemini
AXAPTA – Functional Finance consultant
Location: Pune
Job ID: 8739576
Description: Candidate must have 8 years of total experience with at least 4 years AX implementation experience covering minimum two end to end implementation projects. With at least one on AX2009

Integreon
Executive-Recruitments
Location: Gurgaon
Job ID: 9136291
Description: Function: To implement Global HR recruiting standards and practices in the company and take specific initiatives in the area of Integreon's recruitment process.

SIEMENS
IT Recruiter
Location: Chennai
Job ID: 8980634
Description: Applicant must have relevant work experience in recruitment.

Indiabulls
Manager - Accounts & Finance (Preferably - CAs)
Location: Gurgaon
Job ID: 8922730
Description: Preparing & Finalizing Balance sheets, notes to accounts and schedules etc.as per statutory requirement.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.



For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com. We'll get you the right candidate, no matter what.

monster.com
Right Jobs. Right Candidates.

SAPTARSHI BISWAS/www.indiatodayimages.com

The FIR Heard Round the World

Before he became a venture capitalist, **SANJEEV AGGARWAL** made a fortune selling his firm Daksh eServices to IBM. Around that time he had told this magazine how his wife had doubts about him turning an entrepreneur. "After my years as a MNC manager, she was not sure this (starting Daksh) was a wise decision," he said.

That fear may have been unwarranted, but Aggarwal now claims he has lost ₹33 crore. Not because of any stupid business decision, but by becoming a victim of fraudster Shivraj Puri's schemes at Citibank.

Yet it was Aggarwal's decision to file a police First Information Report (FIR) in Gurgaon where he accused Citibank's top brass, including global CEO Vikram Pandit, of wilful collusion in the fraud, that grabbed headlines. He was also the first investor to disclose his losses as part of the ₹400 crore that Puri is supposed to have sunk.

Until today, Aggarwal has had a fairly cordial relationship with the bank. In 2000, when he co-founded Daksh, Citi's private equity division, Citi Venture Capital International, invested $6 million in the company. Today, he claims he will not stop the pursuit of his money, although he has gone quiet after his initial outburst.

And with his venture capital firm Helion Venture Partners managing a $350 million corpus, he really should not worry about retirement. But, we still feel Aggarwal's pain.

ANIKA GUPTA

Starting Up, Again

When the top headhunters were gunning for him after he quit as Asia-Pacific head of global advertising giant WPP's media agency Maxus in 2006, **C.V.L. SRINIVAS** was busy doing his own thing. "I signed up for *tabla* classes, travelled and wanted to figure out options as my interest lay with start-ups," he says.

Life seems to have turned full circle for him. He now joins the segment he is best identified with — as Managing Director, LiquidThread, Asia-Pacific, and Chairman, Starcom MediaVest Group (SMG), India. People who know this engineer from BITS, Pilani are not surprised. After all, he quit his job at TVS to pursue management studies at XLRI, Jamshedpur and joined advertising. His mandate now is not just to build SMG's reputation in India but also pull in lucrative clients in a media buying scene dominated by GroupM.

SHAMNI PANDE

C.V.L Srinivas
Chairman, Starcom MediaVest Group

MONEY SHARMA/www.indiatodayimages.com

Bazmi Husain
MD, ABB India

DEEPAK G. PAWAR

Engineering Success

BAZMI HUSAIN is back to head the local operations of Swedish engineering powerhouse ABB. Best remembered for turning around ABB's automation business in India a decade ago, he was heading the giant's smart-grid business globally. ABB Chairman Gary Steel says Husain has an in-depth understanding of power and automation, besides the marketplace dynamics. That should help him fix ABB India's growth trajectory. "Ensuring that ABB continues to be in a prime position to meet power and automation needs will be my focus," says Husain.

K.R. BALASUBRAMANYAM

Mammootty
Actor

A Star Reborn

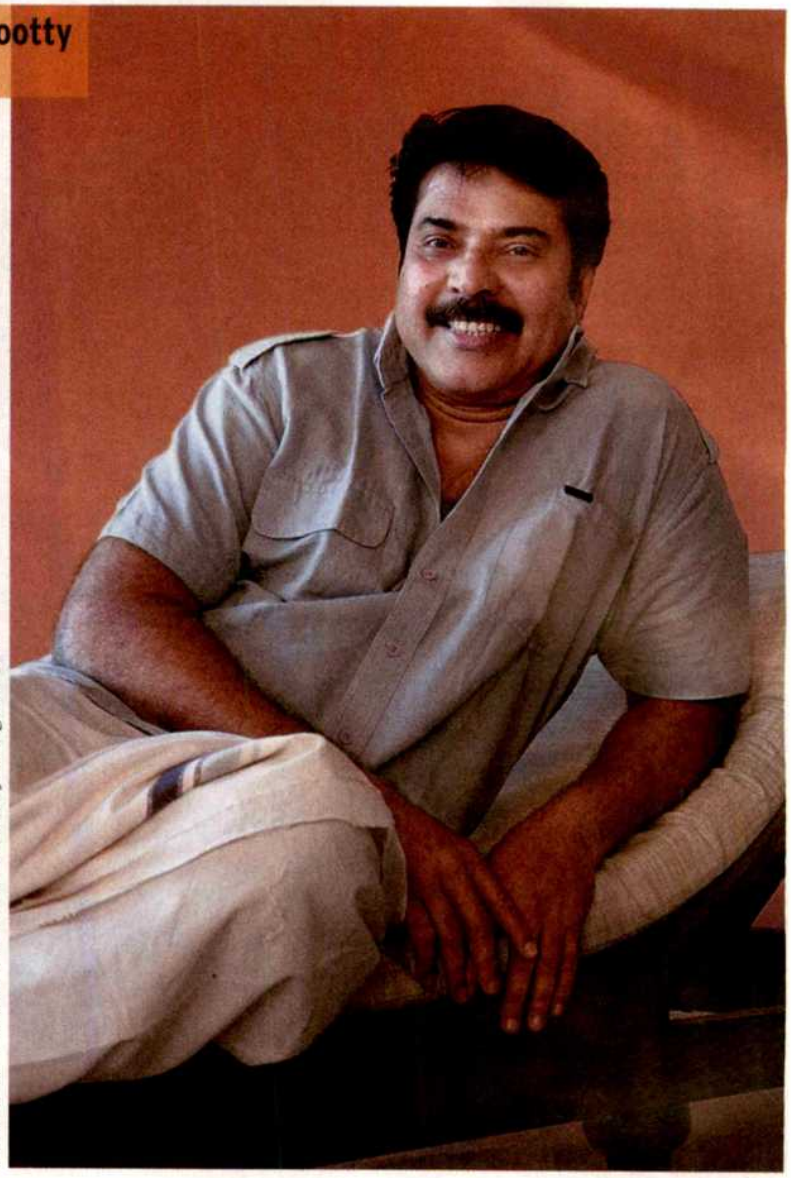
For someone who once said he was a bad investor and so kept his money in bank deposits, **MAMMOOTTY**, born Muhammad Kutty, is donning a new role in business. Well, through an investment by his family. The Malayalam film star's daughter Surumy, son Dulquer Salman, and son-in-law Dr Mohammed Rehan Sayeed, together with a Coimbatore partner have set up Motherhood, a 35-bed birthing hospital in Bangalore. Investment: ₹17 crore.

The birth of his two grandsons — one in the US and the other in India — showed Mammootty, 58, the quality of birthing care Indians were missing. The first baby at Motherhood was born on January 10. "A baby girl," the actor says, beaming. Kochi, Chennai and Coimbatore are next stops for the birthing chain in a ₹58-crore expansion.

For all his millions — the film press says he charges ₹1 crore a movie — Mammootty says he does not want to be an investor in the venture himself. Son-in-law Dr Sayeed, a cardiac surgeon with Fortis in Bangalore, is the Chairman of Rhea Healthcare, the company that owns Motherhood, and Surumy, a graphic designer by training, its CEO.

Mammootty, with over 300 credits, chairs a TV channel in Kerala, but has no equity in it. The star recently started a film production house. Business, here comes Mammootty.

K.R. BALASUBRAMANYAM



DEEPAK G. PAWAR/www.indiatodayimages.com

Rajan Anandan
VP, Sales and Operations, Google India

Digital Hopper

Two years ago when **RAJAN ANANDAN** featured in *Business Today's* list of *Hottest Young Executives*, he had just taken over at Microsoft India. The former top man at Dell India had gained a reputation for spurring growth, and now he finds himself succeeding Shailesh Rao as the top man at Google India. The Internet giant is already one of India's most successful Internet companies and Anandan's reputation of a digital maven precedes him. But will he be able to take Google to the next level of growth as its Android operating system gains popularity on smartphones and the country awaits a data boom on 3G networks? The Mountain View, California-based behemoth certainly hopes so.

KUSHAN MITRA

Vijay Mallya
MD, Chairman,
United Spirits Limited

UMESH GOSWAMI/www.indiatodayimages.com

Old, Really Old Whisky

VIJAY MALLYA made news earlier this fortnight thanks to the Indian Premier League (IPL) player auction. But as that ended, he took off his sports magnate cap and put on that of his liquor baron persona. His Airbus corporate jet was headed to Christchurch, New Zealand where he would be presented a 102-year-old bottle of Scotch whisky. Three cases of the Mackinlay's whisky were recovered last year from an Antarctic hut used by famed British polar explorer Ernest Shackleton during his 1909 expedition. The brand, which Mallya acquired when he bought Glasgow-based Whyte & Mackay, is not produced anymore and the 1909 recipe has been lost. But the hope is that the whisky could be analysed and recreated. Mallya, 55, has finally got his hands on a whisky that is a lot older than him.

KUSHAN MITRA

airtel

In the new world of airtel, life is closer than ever before. Closer is meeting a friend sitting many continents away, face-to-face. Or listening to a new song whenever you want. Closer is watching your favourite show even when you are not home. And getting directions to the café that maybe no one else can find. Closer is airtel internet on 3G. airtel digital TV. airtel broadband. Endless ways we bring you ***closer to what you love.***

mobile
digital TV
broadband
enterprise services

JWT.8015.2010

P.N.C. MENON
Chairman, Sobha Developers

My leadership style
- ■ Delegative
- ■ Participative
- ■ Authoritative
- ☑ All of the above

The political leader I admire the most
Mahatma Gandhi

The business leader I admire the most
N.R. Narayana Murthy

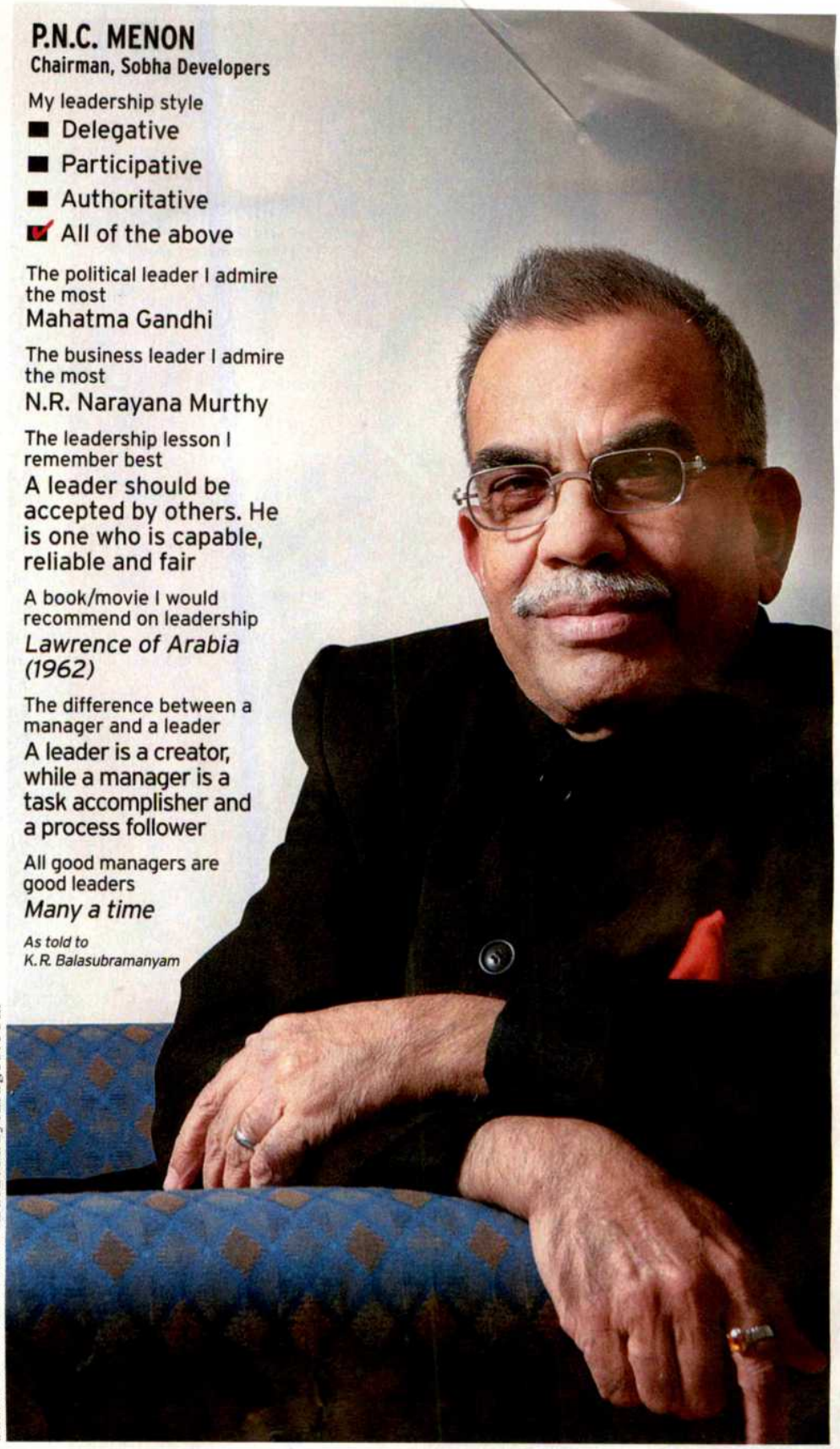
The leadership lesson I remember best
A leader should be accepted by others. He is one who is capable, reliable and fair

A book/movie I would recommend on leadership
Lawrence of Arabia (1962)

The difference between a manager and a leader
A leader is a creator, while a manager is a task accomplisher and a process follower

All good managers are good leaders
Many a time

As told to
K.R. Balasubramanyam



DEEAK G. PAWAR/www.indiatodayimages.com

Vol. 20, No. 3, for the fortnight January 24-February 6, 2011. Released on January 24, 2011.

TASTE SUCCESS EVERYDAY.
BE AN ACCOMPLISHED
WINE TASTER ON SUNDAYS.
WHATEVER THE ROLE

PLAY THE LEAD

Park Avenue

Park Avenue EXCLUSIVE STORES: **BENGALURU**: Brigade Road*, 25598080 | 100 Feet Road, Indira Nagar*, 41264553 | Shop No 120 - 12, Level No. 1, The Forum Mall, Koramangala*, 22067702; **CALICUT**: 417 Focus Mall, 4021006; **CHANDIGARH**: SCO -23, Sector 17 E*, 4653487; **CHENNAI**: 5 Citi Centre, Mylapore*, 43577111 | First Avenue, Anna Nagar*, 45500160; **DELHI**: C-12, Inner Circle, Connaught Place*, 41516555 | Ajmal Khan Road, Karol Bagh, 25744455 | Bungalow Road, Kamla Nagar*, 47001515 | E-13, South Extension - II*, 46081223 | G-35, V3S Mall, Laxmi Nagar, 47350910 | Greater Kailash I*, 29233666 | 29/B, Khan Market*, 24635755; **GURGAON**: Ground Floor, The Metropolitan*, 4300208 | F-101, Ambience Mall*, 4665464; **HYDERABAD**: Jubilee Hills Road No. 36*, 23550275; **KOLKATA**: 6-A, Elgin Road, 22894464; **MUMBAI**: Ameya Linking Road, Santacruz (W), 26054163/64 | High Street Phoenix, Sky Zone, Lower Parel*, 24910939 | G-44, Inorbit Mall, Malad (W)*, 28789354; **NAGPUR**: Eternity Mall, Variety Square, 6611520; **PUNE**: Amrut Chambers, F. C. Road*, 25510929

THE Raymond SHOP The answers are here. | SHOPPERS STOP | lifestyle | CENTRAL | standard's max | Biglife and other leading stores

*Park Avenue Woman Merchandise also available.

www.parkavenue.co.in

dentsumarcom/1065f/10

www.jmfinan

INTELLIGENCE SAYS,

SUCCESS DOESN'T ALWAYS GO TO THE HIGHEST BIDDER.

TRUST INTELLIGENCE.

JM FINANCIAL

INVESTMENT BANKING | SECURITIES | RESEARCH | FINANCING AND DISTRIBUTION | WEALTH MANAGEMENT | ASSET MANAGEMENT

West Bengal: Left Out 42 | Sanjay Dangi: Bull Penned 90

HBR EXCLUSIVE HIGH-INTENSITY ENTREPRENEUR

business today
for managing tomorrow

www.businesstoday.in

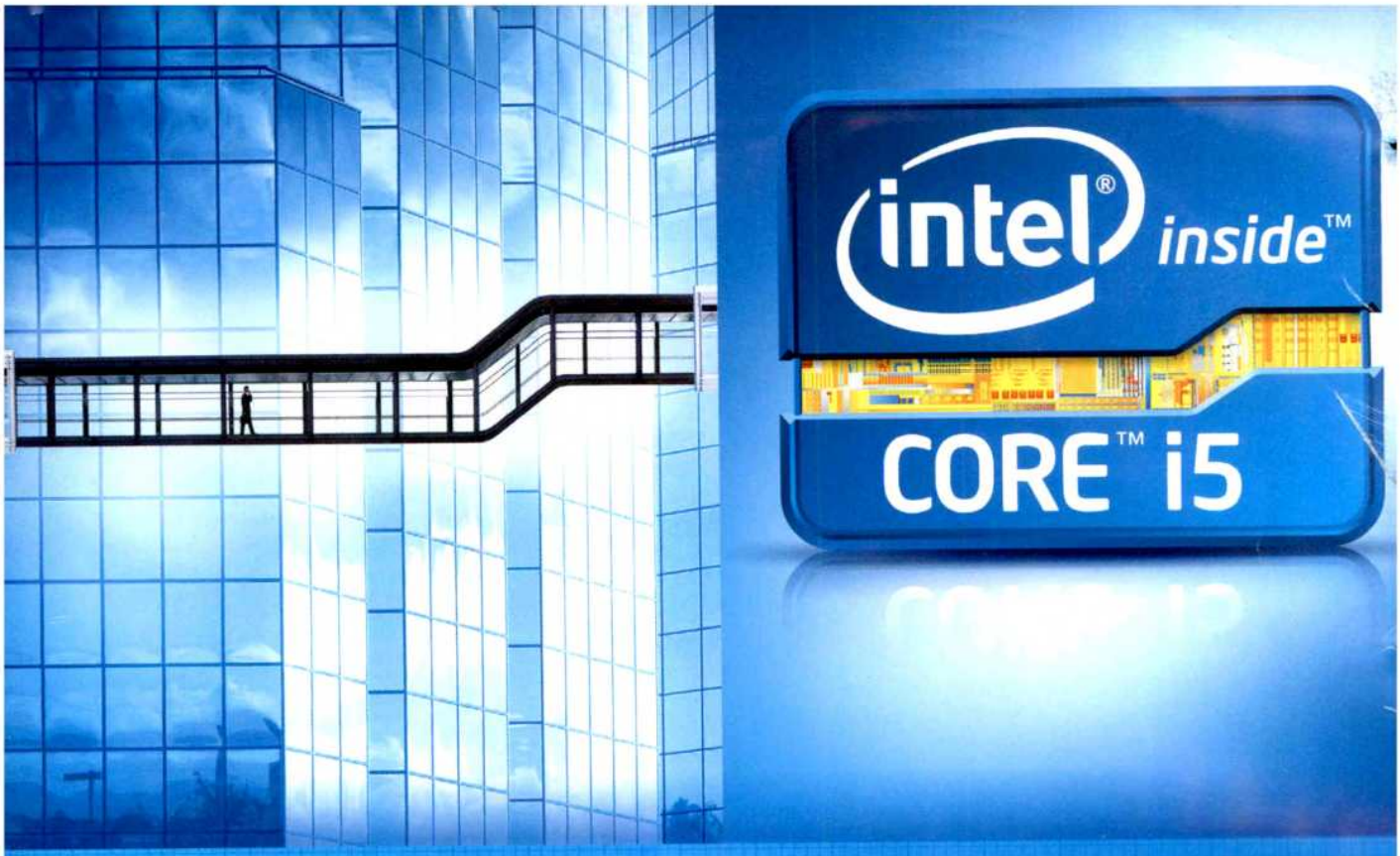
February 20, 2011 Rs 25

India Slowing

The Economy's Growing Pains

PLUS

Interview: RBI's Subir Gokarn 68 | It's the Elections, Stupid 72 | Economists' Poll 66



INTRODUCING THE NEW 2ND GENERATION INTEL® CORE™ PROCESSOR FAMILY.

It's time to move computing beyond just speed.
And turn it into an immersive experience—rich, responsive and effortless.

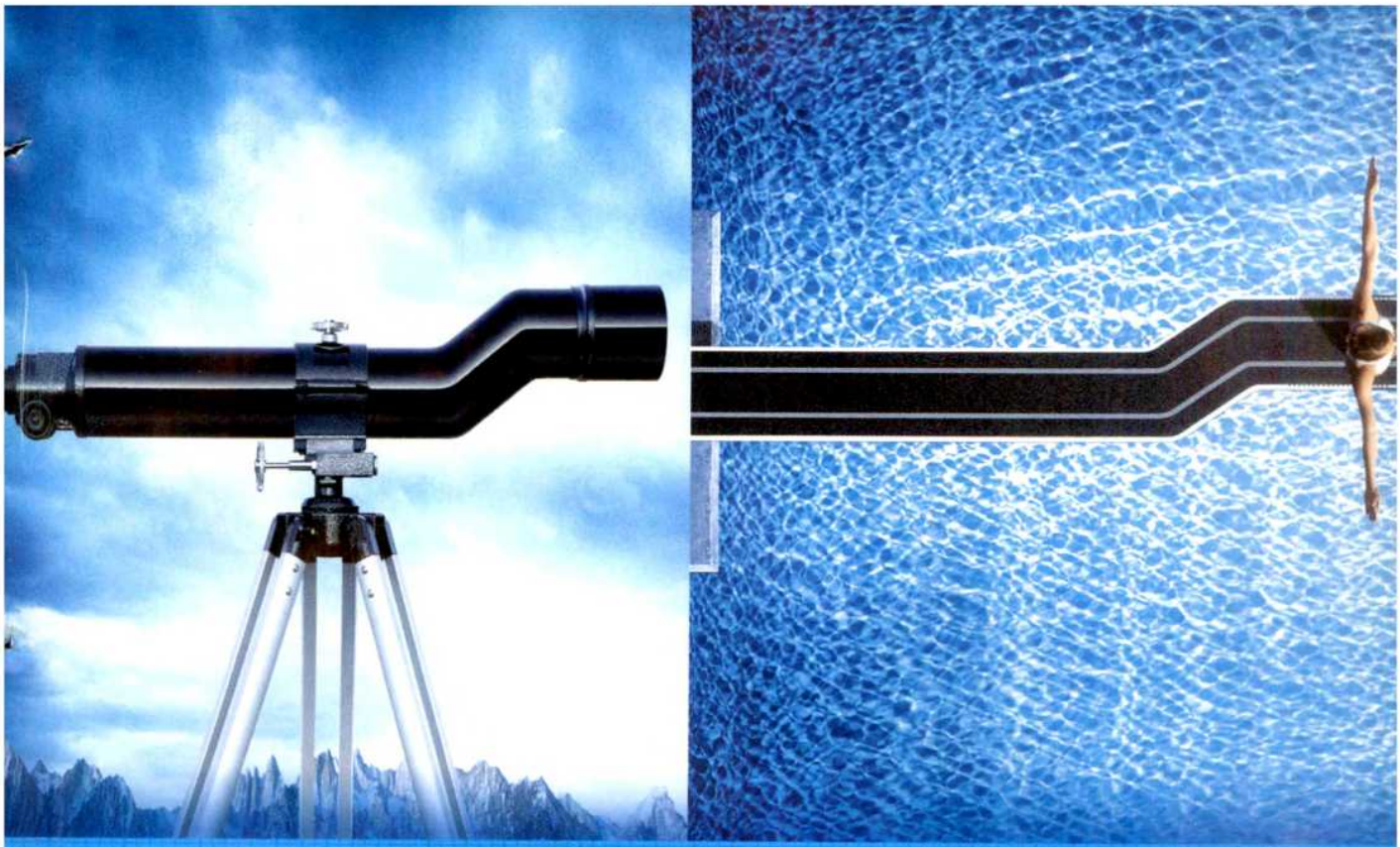
That's why we developed a new family of processors that redefine performance. With built-in enhanced visuals and the adaptive capability of Intel® Turbo Boost Technology[1], Intel® Core™ processors let you move seamlessly between all the things you do on your PC.

It's a higher level of experience.

We call it Visibly Smart.

Sponsors of Tomorrow.™ intel

[1] a system with Intel® Turbo Boost Technology capability. Consult your PC manufacturer. Performance varies depending on hardware, software and system configuration. For more information, visit



Experience the world at a higher level.

intel.com/inside

pyright ©2011 Intel Corporation. Intel, the Intel logo, Intel Sponsors of Tomorrow™ and Intel Sponsors of Tomorrow logos are trademarks of Intel Corporation in the U.S. and/or other countries. ¹Requir
tp://www.intel.com/technology/turboboost

FLOWMORE

& POWER

Flowmore, over 60 years from its inception, now occupies a prominent position of pride and is recognized as a leader in large and special application pumps. Delivery, quality & customer service, are our greatest strengths. With proven technology, acquired from U.S., Flowmore has accumulated the most integrated capabilities in pump design and manufacturing facilities, & is currently building India's largest test bed with a capacity of 7,00,00,000 litres/hour.

Flowmore offers the power generation industry an extensive range of innovative products and services with a capability to manufacture pumps for 800 mw units. Some of the prominent customers are NTPC, BHEL, EIL, BGR, Punj Lloyd, Essar, Reliance Energy, RIL, Jindal Power, Hindalco, Tata Power, Thermax, IOCL, HPCL, all State/Central Electricity Boards, etc.

END SUCTION

FIRE FIGHTING

NON CLOG

HORIZONTAL SPLIT CASE

VERTICAL TURBINE

FLOWMORE PUMPS

Flow for life

OFFICES: GURGAON MUMBAI PUNE CHENNAI KOLKATA AHMEDABAD BANGALORE BHUBANESWAR SECUNDERABAD INDORE JAIPUR JAMSHEDPUR NAGPUR PATNA RAIPUR KANPUR

Website : www.flowmorepumps.com Phone : 91-124-3010883 to 92 Fax : 91-124-3010895, 3010896, E-mail: corporate@flowmoregroup.com

ISO 9001 / ISO 14001 / ISO 18001

SAMSUNG

START
WITH SAVING ₹1800*

MRP. ₹5499 with full toner

ML - 1666/XIP

Get 2 years free additional On-Site Warranty worth ₹ 1800 with Samsung ML - 1666/XIP. Enjoy 3 years of hassle-free printing with the world's smallest laser printer# at no extra cost. Now, start with saving from today!

- Full Starter Toner
- 16ppm Speed
- 8MB Memory
- 1 + 2 Years On-Site Warranty

Printing simplified, now that's printelligense

For additional warranty visit: www.printerwarranty.in

Chnl 0521/10

Smallest Footprint | Print Screen | Any Web Print | Toner Save Mode | Easy Paper Jam Removal | One Year On-site Warranty | SAMSUNG Laser printers

TO BUY Call:30308282 SMS: LP to 56070

Keep It Real

Facing difficulty in Procuring Toner? Write to: tonrchelpdesk@samsung.com

For sales enquiry, please contact: **North:Chandigarh/Punjab/Haryana/J&K/HP**-Indrajeet Singh: 09779167603, **Delhi&Gurgaon**-Gurmeet Singh:09650688664, **East Uttar Pradesh**-Ashish Mohan: 09935654600, **Rajasthan**-Rajneesh Chandel:09928996096, **Western UP/Uttarkhand**-Manish Singh:09997544667; **East:Bihar/Jharkhand**-Subhash Kumar:09334031470, **Orissa**-Ganga Prasad Ram:09338455599, **West Bengal/North East**- Saurav Paul:09831550844; **West:Chhatisgarh & MP**-Vaibhav Kumar: 09755558809, **Mumbai**-Mohd. Ayyub:09819812233, **Pune/Goa/Nagpur**-Pankaj Jha: 09960966678; **South:Andhra Pradesh**-Koteswararao: 09848435860, **Karnataka**-Vinay MC:09880460391, **Kerala**-Binu Jose:09895581228, **Tamil Nadu/Puducherry**-Sundaralingakumar:09884090907

EASY TONER MANAGEABILITY. EASY TONER AVAILABILITY.

Corporate Office: Samsung India Electronics Pvt. Ltd. 2nd, 3rd & 4th Floor, Tower-C, Vipul Tech Square, Sector–43, Golf Course Road, Gurgaon-122002 Haryana (India) * Maximum Retail Price for 2 years additional on-site warranty on ML-1666/XIP.

#As of March, 2010. Source: Samsung Internal Research Data. As per the body-size & footprint in A4 laser printer category.

From the Editor

It seems churlish to sound a pessimistic note about India's economy when a large contingent of our business and political leaders is hard at work evangelizing "India Inclusive" at the World Economic Forum in Davos. Here in teeming India, though, we could not help gathering several worrying threads in a cautionary skein. Soaring food prices have caught our middle class and poor in a merciless vise. Industrial output growth is stuttering. Interest rates are high enough to drive corporate borrowers overseas, and small borrowers into despair. Infrastructure spending and capital formation are not growing fast enough. Supply chains are not getting goods and commodities efficiently or in sufficient quantities to support our growing and demanding population. Shame and scandal blot our front pages. We can only study this Rorschach test of legislative and reform paralysis and ask ourselves if we can be the world-beating powerhouse of ideas, innovation and entrepreneurship that we want to be.

So, is India slowing? Not if you look at bald statistics. We will grow by at least 8.5 per cent this fiscal year. The stock market has fallen, but not far enough to unduly worry investors. The services sector is booming. Car and commercial vehicle sales are soaring, and air cargo and passenger traffic growth are high. Both the *kharif* and *rabi* harvests look good. Are we, therefore, guilty of unnecessary self-flagellation and doubt? At *Business Today*, we continually chronicle and celebrate economic success; but we do not wear rose-tinted glasses. We spot trends and analyse them, and we connect the dots for you. Four weeks before the Finance Minister presents his annual Budget, we take stock of the macroeconomy starting on page 59. Associate Editor Puja Mehra led our team of writers in combing through the evidence; she also engaged RBI Deputy Governor Subir Gokarn in a candid interview. We polled five economists. They sound worried, but the mood can brighten as quickly as it has clouded. Reforms, education and the fact that millions upon millions of Indians are rising from poverty create a virtuous cycle. We comforted ourselves with the news that some of our business leaders at Davos put the latest Audi model through its paces on the icy Swiss roads, before it is launched in India this month. Their exhilaration will hopefully drive their investment decisions back home.

Mumbai's hothouse stock market can fuel excessive exuberance from time to time, and Senior Editor Anand Adhikari's investigation of wannabe bull Sanjay Dangi on page 90 spins an intricate web of price management.

Mamata means compassion, but the quality of the Railway Minister's mercy is certainly strained when she fixes her gaze on her rivals in West Bengal. Associate Editor Kushan Mitra travelled to Kolkata, Singur and Asansol to piece together a despatch on how the world's longest-lived elected communist government may just be fumbling its way out of power. That change may do the state a fair bit of good. Ms Banerjee's Trinamool Congress promises to bring in peace and development.

Spring is in the air, and this issue of *BT* is a cornucopia of good stories — an interview with Nobel laureate and argumentative Indian Amartya Sen; the heart-tugging tale of a half million rickshaw-pullers parlaying their wheels out of penury; an uplifting account of how Bangalore's buses run up a profit; the business of "body sculpting" and looking good, and much more. You will find your fortnight packed.

Chaitanya Kalbag

www.businesstoday.in/editor

business today

http://www.businesstoday.in

Editor-in-Chief: Aroon Purie

Chief Executive Officer: Ashish Bagga

Editor: Chaitanya Kalbag

Managing Editors: Brian Carvalho, Josey Puliyenthuruthel

Deputy Editor: Somnath Dasgupta

Senior Editors: Anand Adhikari, N. Madhavan, K. Sai Srinivas, Suman Layak

Art Editor: Safia Zahid Siddiqui

Photo Editor: Vivan Mehra

Associate Editors: K.R. Balasubramanyam, Saumya Bhattacharya, Shalini S. Dagar, Rishi Joshi, T.V. Mahalingam, Puja Mehra, Kushan Mitra, Shamni Pande, Mukul Rai, Rahul Sachitanand, Anusuya Datta

Assistant Editors: E. Kumar Sharma, Anusha Subramanian, Anika Gupta

Special Correspondents: Rajiv Bhuva, Taslima Khan

Principal Correspondents: Anumeha Chaturvedi, Manu Kaushik, Kakoly Chatterjee

Copy Desk: Virat Markandeya (Chief Copy Editor), Basudha Das (Copy Editor), Roopali Joshi (Deputy Copy Editor), Gadadhar Padhy (Editorial Coordinator)

Photo Department: Umesh Goswami (Chief Photographer), Shekhar Kumar Ghosh, Deepak G. Pawar, Saptarshi Biswas (Deputy Chief Photographers), Rachit Goswami, Money Sharma (Senior Photographers), Nishikant Gamre (Photographer), Lalit Rana (Senior Photo Researcher)

Art Department: Kapil Kashyap (Art Director), Rajat Baran Chakravartty (Deputy Art Director), Anand Sinha (Assistant Art Director), Anita Jaisinghani (Chief Visualiser), N. Ravishankar Reddy, Santosh Kushwaha, Vikas Gupta (Senior Visualisers)

Production Department: Dinesh Sachdeva (Chief of Production), Narendra Singh, Rajesh Verma

Rajkumar Wahi (Senior Supervisor), Mohammed Shahid (Senior DTP Designer)

IMPACT TEAM

Senior General Managers: Upendra Wellingkar (West & South), Neeraj Sharma (North), Sunil R. (Bangalore), Kaustav Chatterjee (East), V. Somasundaram (Chennai), Jitendra Lad (West)

Consumer Marketing Services: Poonam Sangha, Senior General Manager

News-stand Sales: D.V.S. Rama Rao, Chief General Manager; Vinod Das, Senior General Manager (National); Deepak Bhatt, General Manager (North); V.A. Chotalia, Regional Manager (East); Rajesh Menon, General Manager (West); M. Krishna Kiran, General Manager (South); Rakesh Sharma, General Manager (Operations)

India Today Group

Vol. 20, No. 4, for the fortnight February 7-20, 2011. Released on February 7, 2011.

● Editorial Office (Delhi) 5th Floor, Videocon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-23684812-15; Fax: 011-23684819; E-mail: btoday@giasdl01.vsnl.net.in ● Advertising Office (Delhi): Ground Floor, Videocon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-43129111; Fax: 011-23593380/81; Trade Centre, 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400013; Tel.: 022-24983355; Fax: 022-24982266; Impact office: Trade Centre 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013; Tel.: 022-24983355; Fax: 022-24982266. Chennai 2nd Floor, 98-A, Dr Radhakrishnan Salai, Mylapore, Chennai-600004; Tel.: 044-28478526-41; Fax: 28472178; Bangalore 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel.: 080-22212448, 080-30374106; Fax: 080-22218335; Kolkata, 52, J.L. Road, 4th floor, Kolkata-700071; Tel.: 033-22825398, 033-22827726, 033-22821922; Fax: 033-22827254; Hyderabad 6-3-885/7/B, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel.: 040-23401657, 040-23400479; Ahmedabad 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel.: 079-6560393, 079-6560929; Fax: 079-6565293; 39/1045; Kochi Karakkatt Road, Kochi-682 016; Tel.: 0484-2377057, 0484-2377058; Fax: 0484-370962 ● Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301; Tel.: 95120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday; 10 am-6 pm) from Rest of India; Toll free no.1800 1800 100 (from BSNL/ MTNL Lines); Fax: 0120-4078080; E-mail: wecarebg@intoday.com ● Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301; Tel.: 0120-4019500; Fax: 0120-4019664

© 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited.

Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana) and at Plot No. 5-5/A, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai-400 708 (Maharashtra). Published at K-9, Connaught Circus, New Delhi-110 001.

● Business Today does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/ New Delhi only

Syndications Today

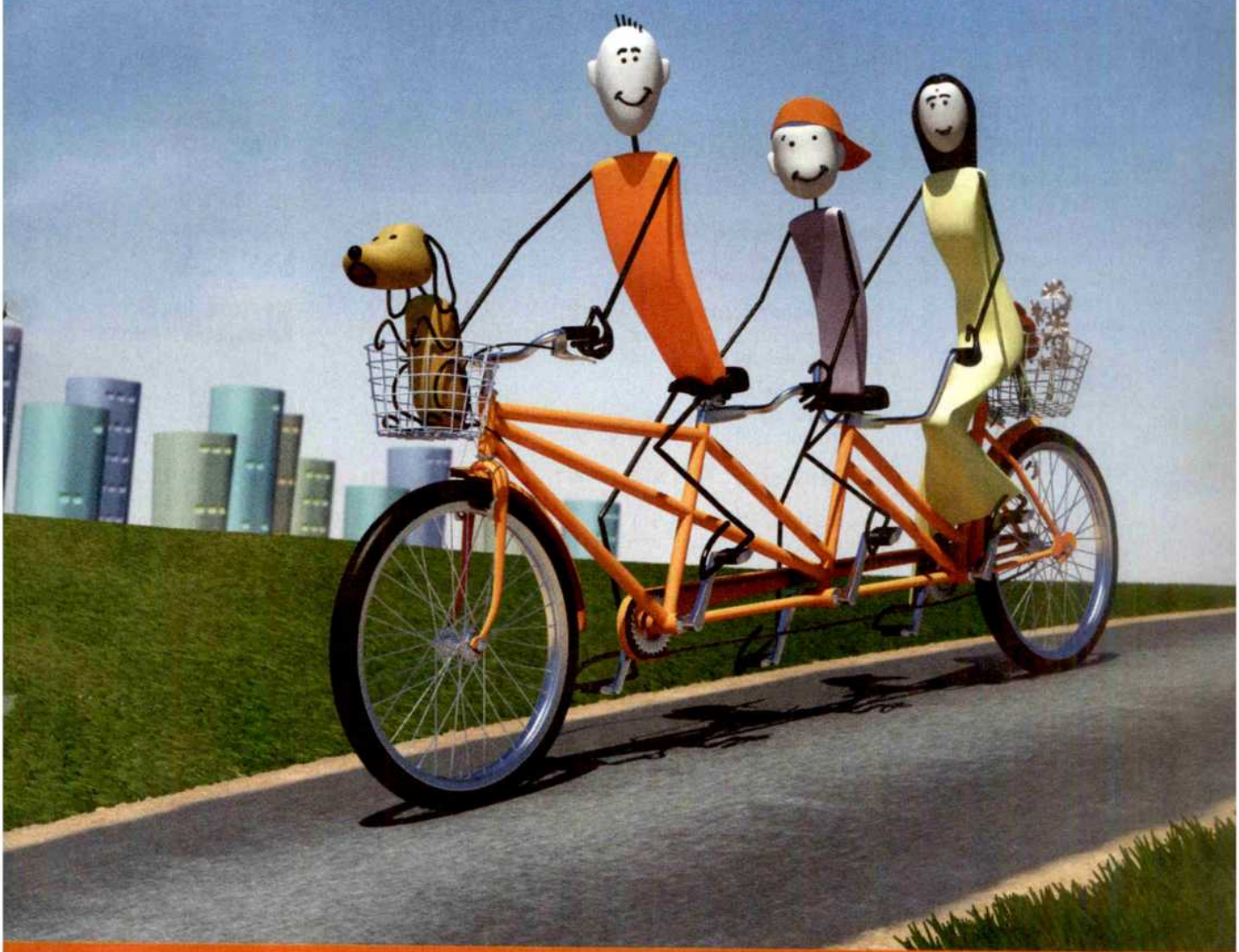
For **reprint rights and syndication** enquiries, contact syndications@intoday.com or call +91-120-4078000

www.syndicationstoday.in

Life made simple with customized solutions. Business made simple with Bank of Baroda.

Bank of Baroda offers a wide range of products and services to **Small & Medium Enterprises**. Be it Loans & Advances or Cash Management Services, each tailor made to suit your diverse business needs, Bank of Baroda makes your banking effortless.

- **SME Loan Pack**
- **SME Gold Card**
- **Cash Management Services**
- **Baroda Arogyadham**
- **Baroda Vidyasthali**
- **Baroda Overdraft against Land & Building**



SME BARODA next
USINESS MADE SIMPLE

ww.bankofbaroda.com | smeloanfactory@bankofbaroda.com

बैंक ऑफ़ बड़ौदा
Bank of Baroda
India's International Bank

CONTENTS FEB/ 20/ 2011
Volume 20/ Number 4

FOCUS

Quick takes on top news and trends

13 | **A Timely Intervention**
There was a compelling argument for setting up the FSDC despite reservations among regulatory bodies like the RBI or SEBI, says Vinod Dhall

15 | **Policy**

18 | **Finance**

20 | **Tech**

26 | **Graphiti: Decoding the India Story**

32 | **Etcetera**

FEATURES

36 | **Interview with Amartya Sen**

42 | **Sundown or Sunrise?**
With elections around the corner, hope reignites in West Bengal, an economy most had written off

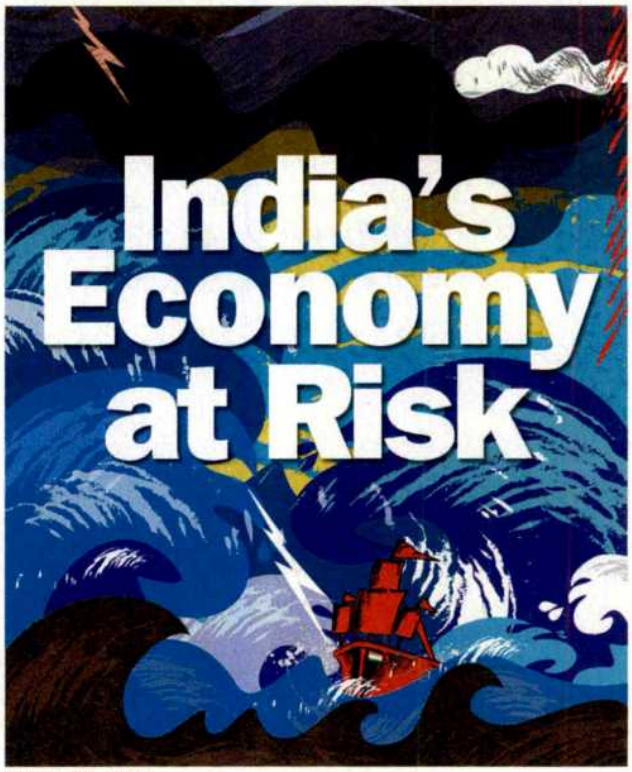
48 | **PHOTOFEATURE: Oh! Bengal**
The winds of change might be blowing but some things remain the same in West Bengal

52 | **Operator Agnostic**
Mobile number portability may trigger a fresh tariff war

54 | **Stick Over Carrot**
Chairman Azim Premji gets cracking as his leaders miss the mark — for the fourth time

80 | **Say Hello to Fast Moving Pharma**
FMCG companies are tapping opportunities in the non-prescription healthcare market

86 | **The Hinduja Rate of Growth**
The group recognises the need to step up its pace in India but the brothers have still to take the bit between their teeth



COVER BY KAPIL

COVER STORY

59 | **Tied-down Economy**
Misgovernance, slowing investments and rising capital costs threaten the India decade

66 | **Economists' Poll**
A clutch of economists rates the UPA government's performance and forecasts GDP growth

68 | **Interview with RBI's Subir Gokarn**

72 | **It's the Elections, Stupid**
The economy is whirling around in a populist spiral

76 | **Bulls Beat the Retreat**
Macroeconomic headwinds and a paralysis in governance could keep the bulls away

90 | **52-day Bull**
Can Sanjay Dangi, whose wings have been clipped by the market regulator, come back on Dalal Street?

96 | **Millions on the Wall**
After adding a million users a month last year, Facebook logs in to mobile and local languages to spread its reach

100 | **On the Road Less Travelled**
eBay founder Pierre Omidyar views his philanthropic investments through the bifocals of profit and sustainability

106 | **Missionary Zeal**
After signing on half a million rickshaw-pullers, Irfan Alam's SammaaN Foundation moves to a for-profit model

110 | **Cruise Control**
Bangalore's once-rickety bus operator is today a role model

112 | ***HBR* Exclusive: The High-intensity Entrepreneur**

118 | **High on Cricket**
Buoyed by cricket gear sales, SG pads up to open its innings in the sports apparel and footwear arena

MONEY

124 | **Struggling to Retain Retail Investors**

LBNL

128 | **Nip This, Tuck That**
Cosmetic surgery is on the rise in a newly-emboldened, go-getter India

P-TECH
134 | **Bye-Bye MySpace**

135 | BOOKEND
How Ideas Create Professions

EXECUTIVE HEALTH
138 | **The Right Light**

JOBS
139 | **A Yardstick for Management Ability**

144 | PEOPLEBUSINESS

LEADERSPEAK
150 | **Subash Menon**
Founder, Chairman, MD and CEO, Subex Ltd

ONE PARTNERSHIP.
ENDLESS POSSIBILITIES.
With Boeing as a trusted partner, the flight to success for India's aerospace industry promises to be a short one. We're committed to expanding the manufacturing and engineering base through key partnerships. Backing them up with industry best practices such as program management and aerospace and lean manufacturing processes. Propelling the Indian aerospace industry to the global stage, the possibilities of how high this partnership will soar are, indeed, endless.
boeing.co.in
BOEING

Master Stroke

The transition from a student to a working professional is often the most difficult situation. *The Best Companies to Work For* (BT cover, February 6) has provided freshers like me an insight into the flurry of thoughts that flood one's mind before taking up the right job. The cover package unravels the brave new world for employees. Overall, employees seem to be fast catching up with new and innovative companies. And the new motto for them seems to be individual growth.

Srijit Nair, *via email*

Balanced Act

The cover story provides an in-depth analysis of best companies. But the ranking appears biased with IT companies stealing the show. I think there are a few manufacturing firms employees will be happy to work for. However, in today's world, employees in their 30s prefer to have a 60:40 ratio on work-life parameters, and a work environment sans office politics.

Ashok Jayaram, *Bangalore*

Growth Story

Chindia Rising (BT February 6) offers a brief and not so comprehensive view of the two emerging economic super powers. As a reader, I would have liked to have an insider's view of what are the challenges that both nations need to address to achieve their goals. There are many social, political and environmental challenges for the Asian neighbours.

J.K. Das, *Ghaziabad*

"Employees seem to be fast catching up with new and innovative companies. And individual growth is the new motto"

Planning the Future

Montek's Manifesto (BT, February 6) dwells on the problems the Planning Commission faces while implementing its welfare and national development programmes. There is an urgent need to convert the Plan panel into a statutory authority and make it mandatory for all to follow its advice. It is important that Montek Singh Ahluwalia takes into account views of the common man before preparing the 12th Five-Year Plan.

B. Rajasekaran, *Bangalore*

Correction

In the photofeature on alternative occupations (BT, February 6), Dr Jyotika Chhibber's name was misspelt. The error is regretted.

ECONOMY Planning Commission

Montek's Manifesto

Yojana Bhawan is abuzz with strategy and some existential thoughts in yet another search for its relevance.

THOU SHALT STRATEGISE

This is what the 12th Five Year Plan will get the states to address

www.businesstoday.in@coverstory: *The Best Companies to Work For (BT,* February 6) showcases the best employers and an account of their workforce.

www.businesstoday.in@coverstory: *Modi Unlimited: What Makes Gujarat What It Is (BT,* January 23) recounts the state's economic development under CM Modi.

BT SCRAPBOOK

- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.businesstoday.in

HOW TO CONTACT BT

WRITE TO:
The Editor, Business Today, Videocon Tower, 5th Floor, E-1, Jhandewalan Extension, New Delhi–110055.
E-mail: letters.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) – 201 301
Phone: (95120) 2479900 from Delhi & Faridabad; (0120) 2479900 (Monday-Friday; 10 am-6 pm) from Rest of India;
Toll free no. 1800 1800 100 (from BSNL/ MTNL Lines);
Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

SIX YEARS OF INSTITUTIONAL EXCELLENCE

Ranked as India's BEST, Strongest and Fastest Growing Mid-Sized Bank by the Business Today - KPMG Best Banks Survey 2010

Since inception in 2004, YES BANK has created a new paradigm in Indian Banking, through continuous Innovation and Excellence. On our 6th Anniversary, as a full-service commercial and retail Bank, we re-dedicate ourselves towards delivering the Finest Banking Experience in India.

185 Branches Pan India | 225+ ATMs | 2 National Operating Centres

YES BANK

EXPERIENCE OUR EXPERTISE

Corporate and Registered Office: Nehru Centre, 9th Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai-400018, India. www.yesbank.in

Now available online

Industry majors that have made the cut as *The Best Companies to Work For* have one thing in common: the understanding that employees are their greatest assets. Find out how they are re-energising their people practices with a more humane eye and recognising the value of the good old employee. Plus, reports on sector toppers and unique businesses.

businesstoday.in/coverstory

Interview

Listen to **Nobel laureate** Amartya Sen's views on inclusive growth and GDP, the microfinance crisis and more.

businesstoday.in/sen

Talking Heads

Cost saving is no longer the reason American companies move operations offshore, feel experts. Read about the new trends in international business.

businesstoday.in/offshoring-not-for-cost-savings

Blogs

E. Kumar Sharma on the microfinance institutions and challenges ahead to streamline the sector.

» businesstoday.in/kumar

Cricket's Biggest Year Ever

This year is all about cricket. It's going to be non-stop entertainment for Indian cricket fans. The ICC World Cup will be followed by IPL-4 and a couple of high-profile Test matches later this year. It also gets bigger for businesses — around ₹7,000 crore is expected to change hands this season. Plus, an interview with ICC Chief Executive Haroon Lorgat. Also see IPL-4 auction photographs.

businesstoday.in/cricket-biggest-year-ever

Crocodile Tears

Spiralling food prices over the last 15 months have been a major impediment and carries serious social and economic consequences. Read about the concerns and challenges ahead for the UPA-II.

businesstoday.in/crocodile-tears

Annual listing

Business Today's much-awaited annual specials are a collector's delight. To access these, go to www.businesstoday.in and then to archives.

Letter from the Editor » businesstoday.in/editor

ON MOBILE

Hot New Management Tip

Get a tip for the day every day, and participate in opinion polls through SMS on your mobile phone 24 hours a day.

SMS BTTIP to 52424

NOTE: Available with all cellular operators. Regular SMS charges apply.

ANSWER THE BT-ON-THE-MOVE QUESTION

Will mobile number portability click with customers?

Type **"BTPOLL Y"** for Yes.
Type **"BTPOLL N"** for No.

SMS to 52424

Readers can also participate in the poll at www.businesstoday.in
Powered by 2ergo India
www.2ergo.com

e-newsletter

Register for free and subscribe to *Business Today*'s e-newsletter.
businesstoday.in

Read Now on

ZINIO: businesstoday.in/zinio
KINDLE: businesstoday.in/kindle

UTILITY TOOLS

› **Risk Calculator**
Analyse your risk tolerance and decide your investment approach.

› **Tax Calculator**
Find out how much tax you need to pay depending on your income and investments.

› **Education Plan**
Calculate and plan for your child's expenses.

› **Retirement Plan**
Find out how to maintain your current lifestyle after retirement.

› **EMI Calculator**
Know how much equated monthly installment you will pay on your loan.

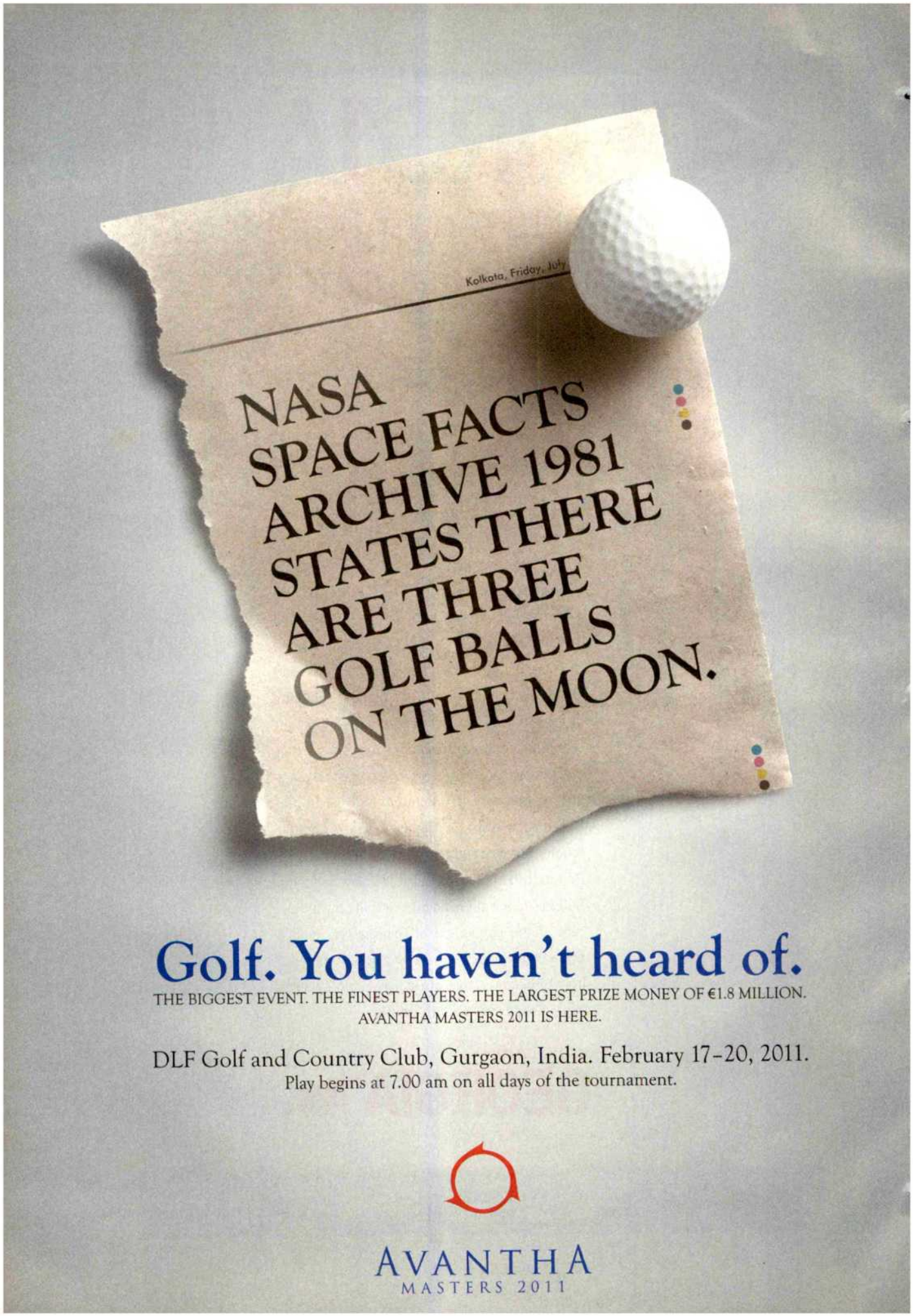
› **Business Tips**
Hot tips to keep you ahead of the rivals in business.

GEORG1A

The World's number 1 in fighting corruption.

According to the 2010 Global Corruption Barometer by Transparency International, 78% of Georgians think that corruption has decreased over the last 3 years – the best result across the 86 countries surveyed. According to the TI survey, only 3% of Georgians who had contact with various public services reported paying a bribe in the past 12 months. This is a better figure than the EU average and places Georgia in the pool of countries whose citizens report the fewest bribes in the world. The survey also shows that 77% of Georgians believe that Government action has been effective in the fight against corruption, making Georgia's result the 2nd highest globally. These achievements are even more important when set against the global perception that corruption has increased in the past 3 years and, as noted by TI 'one out of four worldwide has paid a bribe in the past year.' Another recent survey conducted by the International Republican Institute, Baltic Surveys and the Gallup Organization, points out that only 0.4 per cent of the population of Georgia has paid a bribe to get a service or a decision. To find out how to become part of Georgia's big success story please visit georgia.gov.ge

grow with
GEORGIA


Kolkata, Friday, July
NASA
SPACE FACTS
ARCHIVE 1981
STATES THERE
ARE THREE
GOLF BALLS
ON THE MOON.
Golf. You haven't heard of.
THE BIGGEST EVENT. THE FINEST PLAYERS. THE LARGEST PRIZE MONEY OF €1.8 MILLION.
AVANTHA MASTERS 2011 IS HERE.
DLF Golf and Country Club, Gurgaon, India. February 17-20, 2011.
Play begins at 7.00 am on all days of the tournament.
AVANTHA
MASTERS 2011

FOCUS

15 The Inflation Conundrum
18 Building a New Future
20 Software on Demand
26 Decoding the India Story

A Timely Intervention

There was a compelling argument for setting up the FSDC despite reservations among regulatory bodies like the RBI or SEBI, says Vinod Dhall.

The move to set up the Financial Stability and Development Council (FSDC) was triggered by two major events: the global financial crisis of 2008 and the public spat between the Securities and Exchange Board of India, or SEBI, and the Insurance Regulatory and Development Authority, or IRDA, over jurisdiction over the unit-linked insurance products, or ULIPs.

The ULIP controversy reverberated through the financial markets for several months. At one point, it was taken to the courts, where it might have dragged on longer. Besides, it is unclear whether the courts have the financial knowledge and insight to find a satisfactory solution to such a problem. Earlier, the committee on financial markets, headed by the RBI Governor, had grappled unsuccessfully with the dispute, but lacked the formal authority to impose a solution. In the end, it was left to the finance ministry to settle the matter through an ordinance, demarcating the respective jurisdictions of SEBI and IRDA.

Jurisdictional issues arising among regulators are not *per se* unhealthy. But on this occasion, the decibel level was unusually high and there was nerve-racking uncertainty for the mutual fund and insurance industries. In the past, there was no institutionalised framework, which will now be provided by the FSDC.

The global financial crisis showed up the regulatory gaps and inadequacies in the financial sector in several countries. This was particularly evident in the case of large financial conglomerates, whose complex and varied businesses made narrow oversight approaches inadequate. The too-big-to-fail

RAJAT BARAN

conglomerates had to be finally bailed out by the governments with taxpayer funds. The lesson learnt was that such inter-disciplinary issues warranted a more robust and consolidated approach that would effectively pull together the expertise of various regulators.

India has witnessed its share of regulatory vacuum or overlap. It was demonstrated in the instances of cooperative banks not being supervised effectively by the RBI, or by the state Registrars of Cooperatives, and the notorious collective investment schemes and chit funds that sank the savings of unsuspecting investors. The collapse of the Unit Trust of India, or UTI, is another example. There could be upcoming issues between the IRDA and the pension regulator over hybrid pension products.

The FSDC is rightly mandated to deal with matters relating to financial stability, financial sector development, inter-regulatory coordination, financial literacy, financial inclusion, macro-prudential supervision of the economy, and coordination of India's global interface with financial sector bodies.

The nature of financial products has changed over the years, and new approaches and expertise are required to deal with them. There is also need for regulatory reform and modernisation as some of our laws are grounded deep in the past. The FSDC would be an appropriate body for taking a coherent and composite view at a broad level about the nature of reforms needed. Such a body has been recommended by high-level committees headed by Deepak Parekh and Raghuram Rajan.

The RBI and SEBI had concerns that the FSDC might impinge on regulatory autonomy and flexibility and timely action. The RBI felt that the FSDC's developmental agenda might dissipate the focus on issues related to financial stability and systemic risk. The proposed mandate was not in line with the role of similar councils or commissions conceived internationally. These fears are not entirely unfounded. The government's propensity to erode regulatory independence is widely known; some ministries are engaged in turf war with their own regulators, even frustrating the parliamentary will expressed in terms of the regulatory statute. Any such transgression by the FSDC could stymie regulatory regimes and do more harm than good. The government has sought to allay the apprehensions of financial regulators on this point. On inter-regulatory issues, it has stated that these would be taken up by the FSDC only after there is failure to resolve them at lower levels, and only if they are referred to it by a regulator.

Bodies such as the FSDC have been constituted in several countries after the financial crisis of 2008. In the US, the Financial Stability Oversight Council (FSOC) was set up with the duty to enhance the integrity, efficiency, competitiveness, and stability of the US financial markets, promote market discipline, and maintain investor-confidence. Similar initiatives have been taken in the UK and at the EU level. The precise role and functions may vary according to the specific circumstances and requirements of each country, but the need for an empowered body for taking a comprehensive view of macro-level financial issues and coordinating regulatory responses especially in times of crises has been accepted in all major jurisdictions. The rationale for the FSDC is quite compelling.

The author is former Secretary, Government of India

DHALL'S TAKE

- The global financial crisis showed the regulatory gaps in the financial sector of several countries
- Inter-disciplinary issues warrant a robust and consolidated approach by a body like FSDC
- Courts may not have the financial knowledge and insight to satisfactorily adjudicate in disputes among regulators
- The nature of financial products has changed over the years; new approaches and expertise are needed to deal with them
- Bodies such as the FSDC have been constituted in several countries after the financial crisis of 2008

WORDSMITH

(NEW WORDS IN BUSINESS)

Seagull Manager

(Cee-gl Man-a-ger)

RAJAT BARAN

What it means:
A manager who interacts only when a problem arises, makes hasty decisions, and leaves behind a mess to be cleared by others.

Origin: Management author Ken Blanchard wrote about it in his book *Leadership and the One Minute Manager*: "Seagull managers fly in, make a lot of noise, dump on everyone, then fly out." The work has become popular in corporate circles recently.

Usage: Like all seagull managers, he believed that his sagely lectures at team meetings solved problems.

The Inflation Conundrum

The government mulls FDI in multibrand retailing to rein in inflation. BY MANU KAUSHIK

The war on food inflation may just force the government to consider foreign direct investment (FDI) in multibrand retailing. Cabinet Secretary K.M. Chandrasekhar made the suggestion in a presentation to Prime Minister Manmohan Singh and his Cabinet colleagues recently.

RAJAT BARAN

Why FDI in multibrand retail is back on the table...

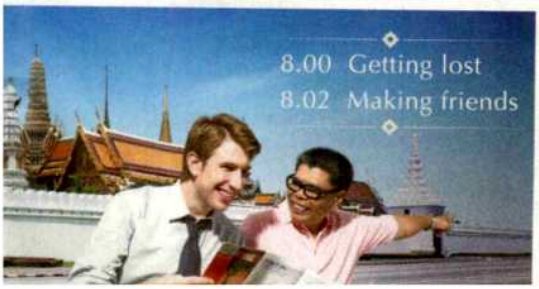
There is a view within the government that such a move will ease supply chain bottlenecks and help rein in inflation with the expansion of organised retailing in the country. It is believed that the opening up of food retail, in particular, will give a fillip to the distribution network — from farm to fork. The existing guidelines do not allow foreign investment in multibrand retail. However, multinational retailers can invest up to 51 per cent in single-brand retail and 100 per cent in cash-and-carry stores that can only sell to other retailers.

... the benefits...

It is also believed that the entry of global retailers such as Wal-Mart, Carrefour, Metro AG and Tesco will lead to a radical improvement and streamlining of the modern food retail infrastructure. There has been inadequate investment in back-end infrastructure such as retail chain logistics and cold chain. While India is the second-largest producer of fruit and vegetables — about 180 million tonnes — it has a very limited integrated cold-chain infrastructure. As a result, some 30 per cent of its fruit and vegetables and seven per cent of its foodgrain are wasted. Thus, allowing FDI in retail will not just encourage food processing and improve cold storage facilities but also minimise wastage. "Multibrand retail is favourable to farmers whose incomes are controlled by the middlemen. Strengthening the modern retail will get farmers good price and reduce the role of intermediaries," says Kishore Biyani, CEO, Future Group.

... and the concerns

FDI is permitted in the retail sector in most emerging economies such as Brazil, China, Argentina and Indonesia. In India, though, there are worries that multibrand retail may ultimately result in the large-scale exit of small family-managed outlets which provide employment to over 33 million people. Stiff political opposition, particularly from the Left parties, has prevented the government from pushing ahead with the reform.



...and this is just one personal touch that will simply turn your convention into something that lasts forever.

Thailand's unique culture and the warm welcome will bring a new perspective and lasting impression to all delegates. The signature Thai smile, hospitality and our amazing local wisdom touch the hearts of over 15 million visitors worldwide a year. For an unforgettable and distinguished experience, choose Thailand as your convention destination.

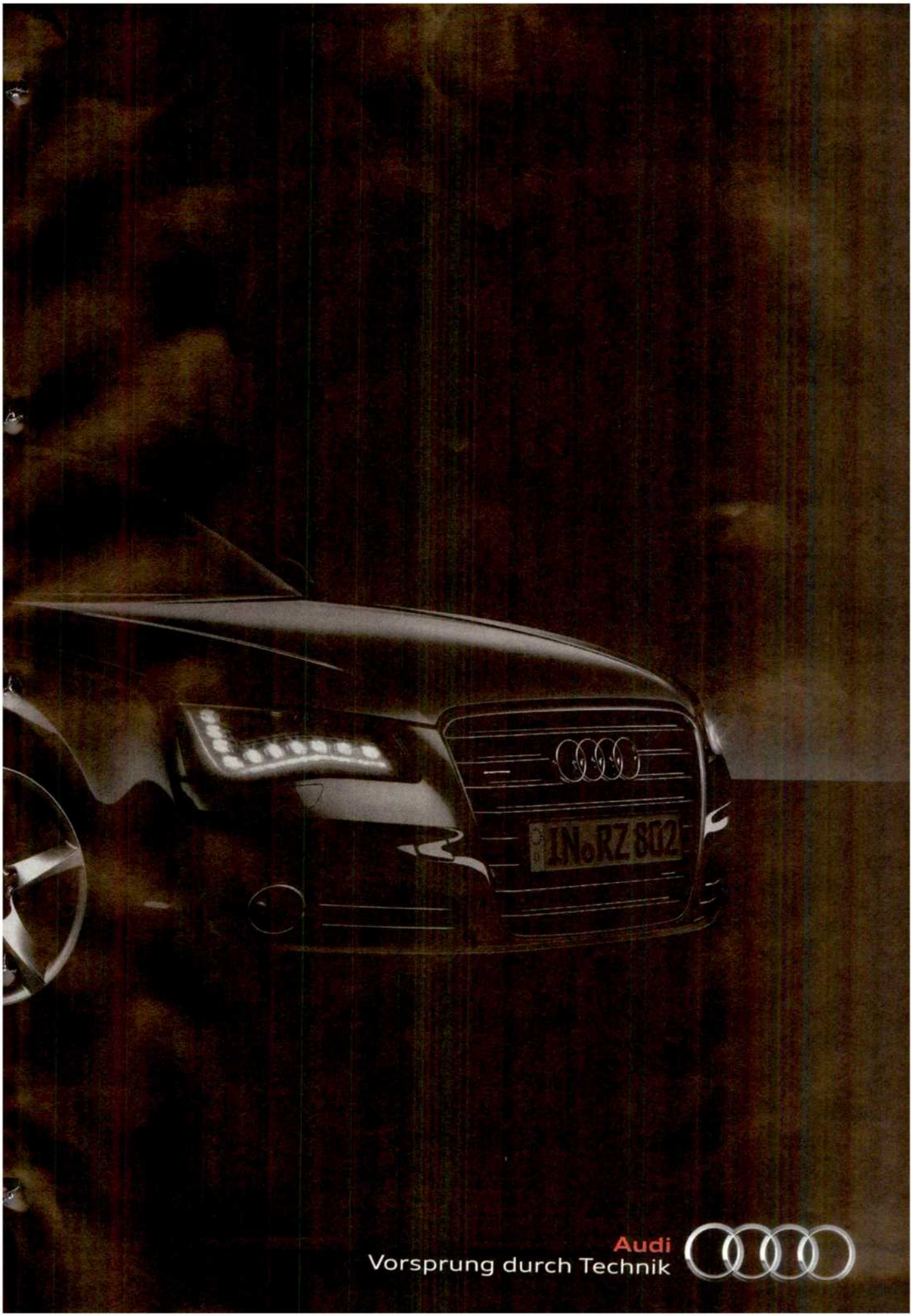
For more information,
visit www.tceb.or.th/conventions

Believe in THAILAND

Advanced is the mind
that knows its path.

The new Audi A8 L. Coming soon.

Experience the new Audi A8 L in full 3D at


IN RZ 802
Audi
Vorsprung durch Technik

Building a New Future

The BSE could change the derivative landscape with the introduction of physical settlement. BY RAJIV BHUVA

RAJAT BARAN

What will happen

The BSE is getting ready to challenge the monopoly of the NSE in the derivatives market with the introduction of physical settlement. In a written response to a query from *BT*, the exchange said it is "... currently working on modifying its systems and processes to handle delivery-based derivatives." All futures and options, or F&O, contracts on BSE's equity derivative segment, barring the index contracts, will now be settled with the delivery of shares. Since the introduction of derivatives in June 2000, contracts have been settled in cash. The stock markets regulator, the Securities and Exchange Board of India (SEBI), had given an in-principle approval to physical settlement in March 2010.

What will change

Cash settlement is the current norm in equity derivatives, where on the last day of the contract the average closing price is the value at which contracts are squared-off with the underlying shares not changing hands. With physical settlement kicking in, on the expiry of the contract the underlying stock will have to be purchased or borrowed from the cash market, and delivered to the counter-party for a specified payment.

The Inherent advantages...

Cash settlement, experts feel, adds to market volatility. With physical settlement, huge price swings are less likely — counter parties can impose delivery if there is an artificial increase or decrease in stock prices, thus paring excessive speculation in the F&O market and encouraging hedging.

... and the disadvantages

In the absence of a vibrant mechanism for securities lending and borrowing (SLB), physical settlement of stock-specific derivative contracts, may be difficult. A vibrant SLB mechanism is necessary for participants to be able to meet delivery obligations. However, some market participants feel the introduction of physical settlement will give a big fillip to SLB.

NUMBERS OF NOTE

5 MILLION

The number of motorcycles Honda plans to sell in India in five years. It will be nearly three times its current sales.

70 PER CENT

The contribution of high-end motorcycles like Pulsar to Bajaj's revenues. Over 2.62 lakh units of Pulsar were sold last quarter.

1.9 MILLION

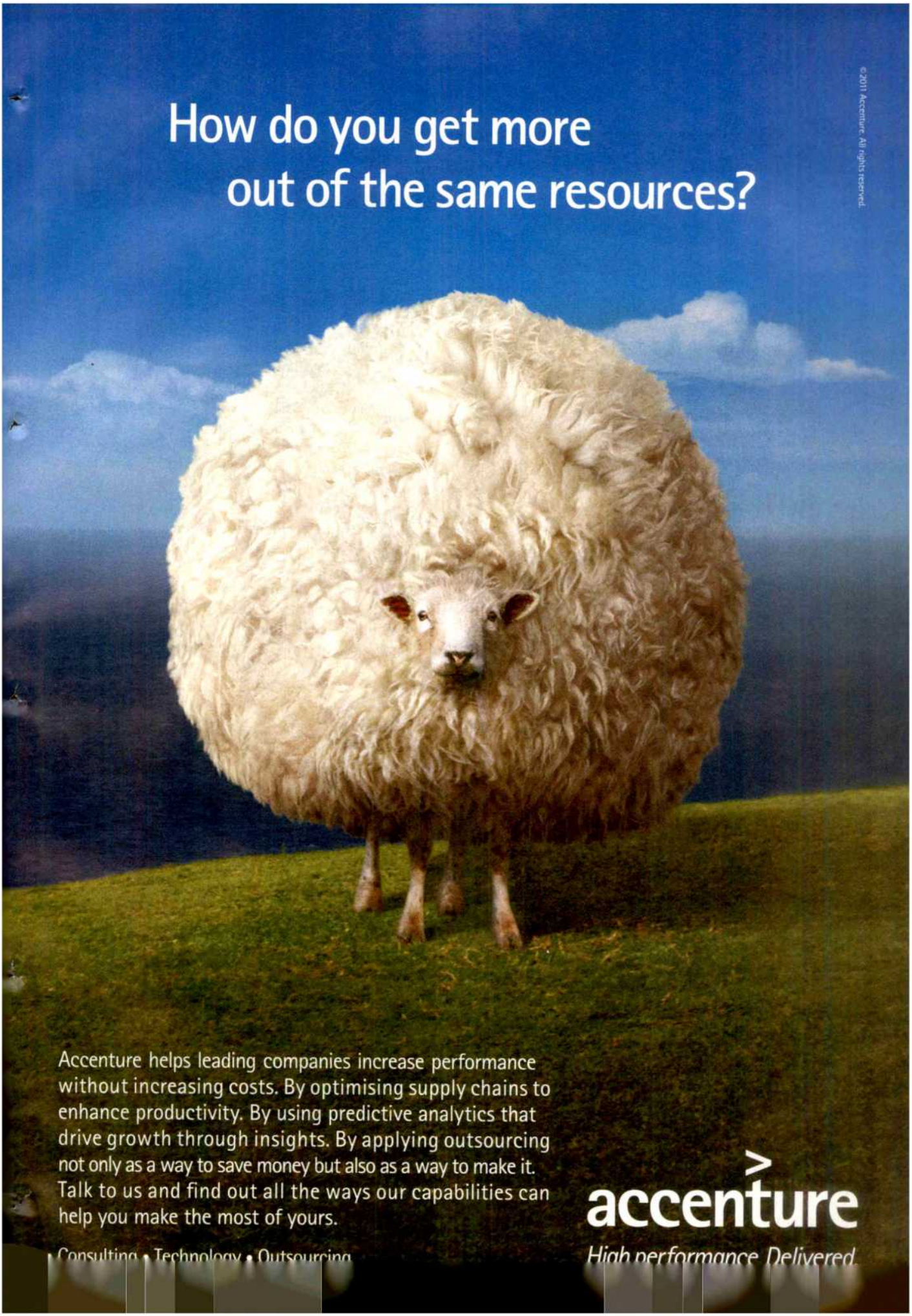
Car sales in India in 2010, second only to China.

28.9 PER CENT

Growth of domestic car sales in India in December 2010, compared to the same period last year. Over 1,48,681 cars were sold in December.

13,05,872

The total number of vehicles sold across categories in India in December 2010, which was up 30.5 per cent year on year.


How do you get more
out of the same resources?
©2011 Accenture. All rights reserved.
Accenture helps leading companies increase performance without increasing costs. By optimising supply chains to enhance productivity. By using predictive analytics that drive growth through insights. By applying outsourcing not only as a way to save money but also as a way to make it. Talk to us and find out all the ways our capabilities can help you make the most of yours.
• Consulting • Technology • Outsourcing
accenture
High performance. Delivered.

A new way to buy software and who says cheap can't be cheerful?

The Mac AppStore

Software Made Simple

If people can comfortably buy a book online, why shouldn't they be able to easily purchase and download software on their computer? With computer form-factors getting thinner and thinner, does one really need to have an optical drive on a computer? Steve Jobs might have taken sick leave recently, but the last big thing Apple unveiled, the Mac AppStore, while he was at the helm, could dramatically change the way people buy software.

The Mac AppStore is not very different from AppStore for the iPhone, iPod Touch or the iPad. The interface remains more or less the same. Earlier, buying software online was not a smooth process, but Apple has made things a lot easier. Of course, it has been helped by the fact that Rovio Mobile has launched a version of Angry Birds for Macs, and one can only imagine what it would be like to play that on a 27-inch Mac (it was pretty good fun on a 13-inch MacBook Pro).

Apple has also made buying software easy, and chances are that this will make a lot of money. But it may not be easy enough for those who are yet to be indoctrinated into the cult of Mac.

⊕ Buying software easy

⊖ None, actually.

Price: Available as a free download to all those running recent generations of Mac

Bang for the Buck

Can Indian manufacturers make a decent mobile device? A feel of Lava A10 makes you certain: yes, we can. The device, though not perfect, has slots for two SIM cards and a rather nice three-inch touch screen. It has quite a few features for a phone at its price — expandable memory, a good music player, and decent speakers.

In fact, the only thing holding it back is poor branding. A fairly inane advertisement for the device aside, the company has not done much on promoting the device, which needs much smarter branding.

And as for the service bit, with even the local kirana store repairing most makes of mobile devices, it should not be a concern any longer.

Lava A10

⊕ Great features, affordable

⊖ Branding

Price: ₹5,399

COMPILED BY KUSHAN MITRA

i am
focused on
connecting people
across Asia
Vikas Jain
Co-founder and Business Director
of Micromax, India's leading telecom
company that revolutionised the
industry through innovative products
created to meet every lifestyle need.
Together with DBS,
this is Asia's time, this is Our time.
micromax
mobile
Nothing like Anything
we are
the bank with solutions
that enhance your reach –
Asia's safest, Singapore's best
No matter how crowded the market, there's always
room to excel. That's Micromax's mantra to success.
One that's proven itself time and again.
At DBS Bank, we share their belief, which gives us
an edge. Because we understand that to stand out
in a highly competitive environment, you need to
keep a finger on the consumer's pulse. Constantly
innovating products and services that fulfill their
demands and resonate with their lives.
An approach that has helped us develop unique
solutions, enabling Micromax to grow exponentially
in just three years and bringing them even closer to
their customers, all across Asia.
www.dbs.asia
Awarded 'Safest Bank in Asia' by Global Finance
in 2009 and 2010.
Awarded 'Best Bank in Singapore' by Euromoney,
FinanceAsia and Global Finance in 2010.
DBS Bank. Living, Breathing Asia
DBS

BT-ERNST & YOUNG

Deal Watch

BIGGEST DEALS IN THE PAST 30 DAYS*

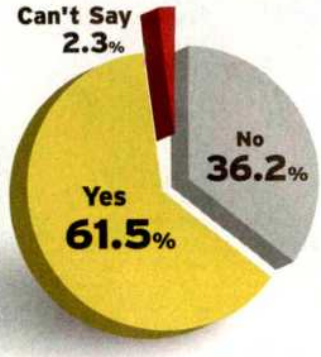
Phaneesh Murthy: CEO of iGate

iGate Corporation will snap up a 84 per cent stake in Patni Computer Systems for ₹5,612 crore ($1.22 billion). It will acquire 45.6 per cent from the three founders of Patni Computer Systems and 17.4 per cent from private equity firm General Atlantic for approximately ₹4,251.3 crore ($921 million). Further, iGate will make an open offer for an additional 20.6 per cent in Patni for ₹1,389.4 crore ($301 million). The buyout could put iGate in the list of top-tier IT players globally. The combined entity will have revenues of close to $1 billion, a headcount of over 24,000, and more than 360 clients.

TARGET	ACQUIRER	INDUSTRY	TYPE	DEAL VALUE ₹ (CR)	STAKE (%)
Patni Computer Systems	iGate Corporation	Technology	Acquisition	5,612	84
Grosvenor House Hotel	Aamby Valley	Hospitality	Acquisition	3,251	100
Moser Baer Power Projects	Macquarie SBI Infrastructure Fund	Infrastructure	Private equity	583	NA
Leighton Contractors	Welspun Infra Projects	Construction	Investment	470	NA
Cethar Vessels	Baring Private Equity Partners	Industrial products	Private equity	403.5	NA
The Golden Palms Hotel & Spa	Nitin Agarwal	Hospitality	Acquisition	233	NA
Thyrocare Technologies	CX Partners	Health care	Private equity	188	30
PNC Infratech	Jacob Ballas Capital India	Infrastructure	Private equity	150	NA
Max India	Temasek Holdings	Health care	Private equity	120	NA
KPIT Cummins Infosystems	Warhol (subsidiary of ChrysCapital)	Technology	Private equity	112	9

Ernst & Young is a leading M&A advisor in India. The data is based on media reports and company announcements. Any decision on the basis of this information should be taken only after professional advice. *Business Today* or E&Y do not undertake any responsibility with regard to any such decision. * December 21, 2010 to January 17, 2011. Not a complete list.

Should the government decontrol the prices of diesel, kerosene and LPG?



Results of *BT* online poll; No. of respondents: 174

The decision to decontrol petrol prices was a bold policy reform by the government. It substantially cut down the huge oil subsidy burden, helping oil companies reduce losses. The government has also promised to decontrol diesel prices.

Now, with global crude oil prices firming up once again at over $90 a barrel, PSU oil retailers are expected to start accumulating losses largely on account of diesel, which stacks up to 40 per cent of their sales. Should the government then bite the bullet and decontrol diesel prices as well? It'll be a political hot potato given the high inflation. It will be prudent for the government to wait till crude prices cool off to push through the reform.

However, subsidies on LPG and kerosene have to continue as these fuels are used by the lower middle class and the poor. As the Kirit Parikh Committee suggested, these are socially desirable subsidies.

Next poll question:

Should the government allow FDI in multibrand retail as a long-term strategy to combat food inflation?

Log on to www.businesstoday.in to cast your vote

AIRCEL

Aircel and Facebook partner to introduce **Voice** Status Updates.

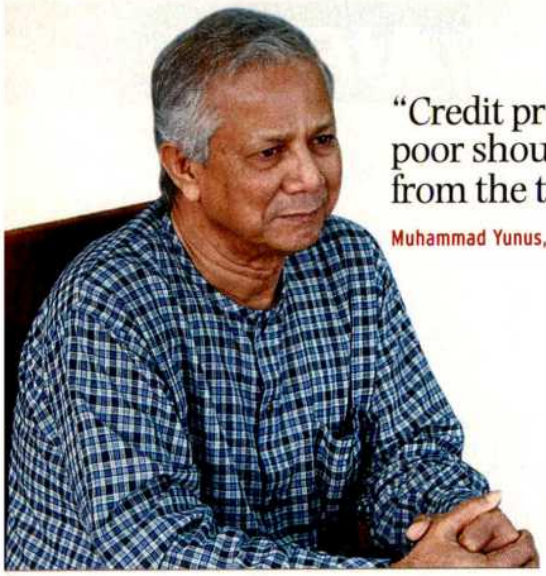
Now express emotions that words can't with **Facebook Voice Updates on Aircel.**

Aircel & Facebook are set to redefine the way you update your status message with Facebook voice updates, exclusively on Aircel. Now you can express your emotions in your own distinctive voice. Just **dial 51555**[†] from your Aircel mobile to record and update your status, without even having access to internet. The recorded voice clip will appear on your Facebook wall as your status update. Also, find your friends, select and add them on your Facebook network, by simply making a voice call from your Aircel mobile. So go ahead, voice your mind, only with Aircel.

Call: 121*

aircel.com

dentsucomm/aircel/890/11



"Credit programmes that profit from the suffering of the poor should not be described as 'microcredit'... and benefit from the trust that microcredit banks have rightly earned."

Muhammad Yunus, *Founder of Grameen Bank and Nobel laureate, in* The New York Times

"We want to sell you planes... we want to sell you software... the relationship goes beyond old stereotypes of cheap Chinese labour taking away American jobs."

Barack Obama, *US President, to Chinese counterpart Hu Jintao, quoted by wire agencies*

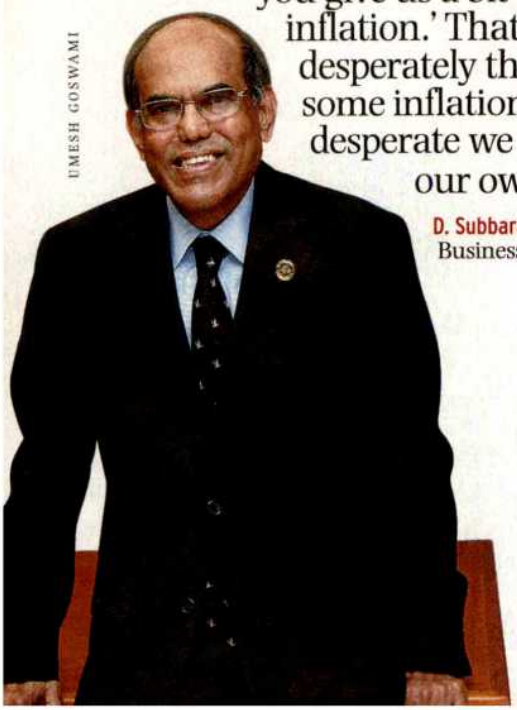
AFP

"I became a digital entrepreneur to liberate myself from factory labour issues, having to bribe corrupt officials... the Internet gave me my independence."

Alok Kejriwal, *Founder, 2Win Group, in* The Economic Times

"If we have a system where banks take the upside, but the taxpayer takes the downside, something has gone wrong with the very heart of capitalism, and we need to repair this."

Paul Tucker, *Deputy Governor, Bank of England, in an interview to* BBC



UMESH GOSWAMI

"Other central bank governors tell me: 'why don't you give us a bit of your inflation.' That's how desperately they want some inflation and how desperate we are to control our own inflation."

D. Subbarao, *RBI Governor, in* Business Standard

CLASSIC BUSINESS QUOTE

"As you get bigger, you have to learn to delegate. It's also an excellent way to get staff involved in the company's operations."

Azim Premji

Rising to a new future...

Mahindra Aerospace takes off with the GA-8 Airvan.

Mahindra Aerospace and Gipps Aero bring you the GA8 Airvan – a versatile, robust and efficient light utility aircraft. It is designed and built to latest safety standards and meets the world's highest airworthiness certification.

Come, soar with us...

Visit our Stall A-1 at Aero India 2011, 9-13 Feb. 2011,

Air Force Station, Yelahanka, Bengaluru

GA8 Airvan Highlights:

Cabin Volume: Large cabin, panoramic windows, large sliding access door and low cabin noise

Versatility: Unique 8-seater multi role aircraft that can be readily converted for freight / passenger

Short Take Off and Landing (STOL): Can be used in remote locations / disaster relief camps giving it an edge over others

Economics: Unbeatable cost per seat mile, cost efficient, easy maintenance, reliable operations platform, bigger cabin & superior load carrying capacity

Safety: The only aircraft in its class certified to latest safety standards and meets the world highest airworthiness certification

Popular: More than 150 aircrafts, used for varied services in 35 countries around the globe

Choice: Powered by the reliable Lycoming family of engines, it is available in normally aspirated & turbo charged variants with optional under slung cargo pods for even more volume.

GIPPSAERO

A Mahindra Group Company

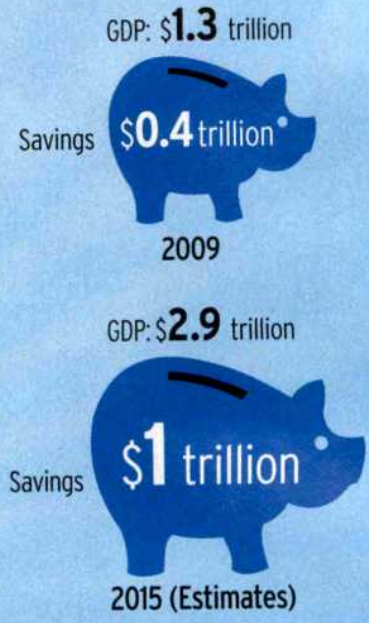
Mahindra Aerospace

Mahindra Aerospace Pvt. Ltd.
Touch Down Building, 3rd Floor, HAL Industrial Area,
Vibhutipura, Bengaluru 560 037
Contact No.: +91 (80) 42131459

Distributor enquiries solicited. E-mail us at aerospace@mahindra.com

xebecindia.com

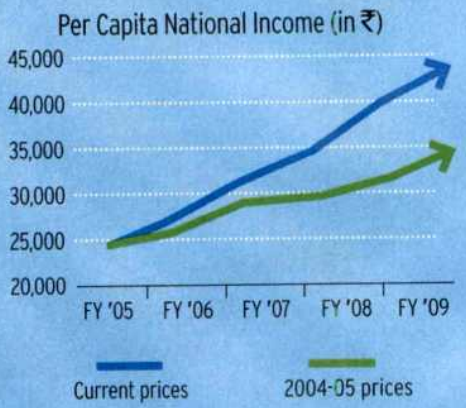
1 The mountain of savings could fund infrastructure projects in the country



DECODING THE INDIA STORY

There is mounting evidence to suggest that India's economic growth will be driven by our propensity to save, and consume. **COMPILED BY MANU KAUSHIK**

2 The rapid economic growth has almost doubled the per capita income in five years...



5 STEPS TO HERE

THE LAVASA STAND-OFF

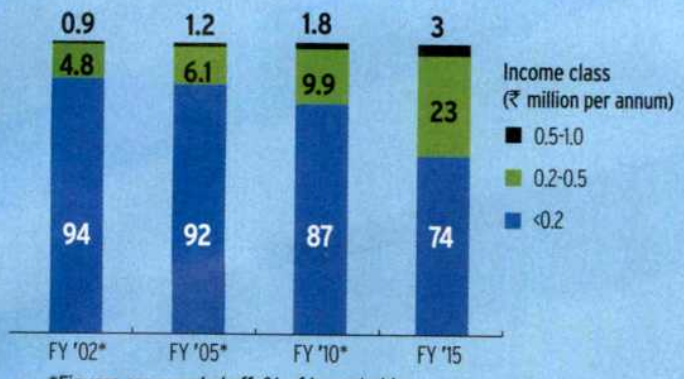
1

February 2000
India's first private hill station, Lavasa, registered as Pearly Blue Lake Resorts.

2

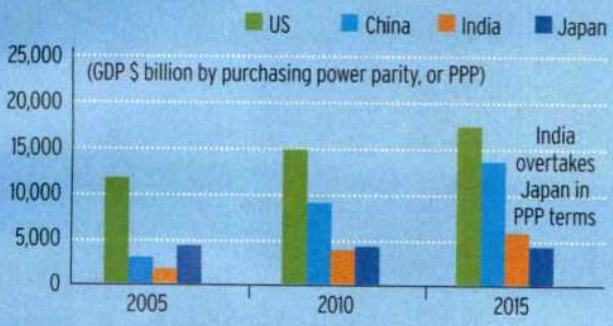
March 2004
Lavasa granted environmental clearance by the Maharashtra Govt.

... and a growing middle class is expected to lead to a huge consumption boom in the years ahead

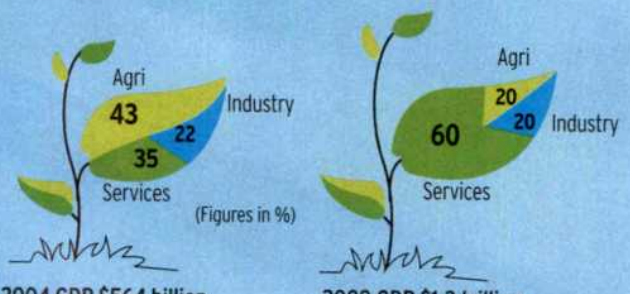


*Figures are rounded off; % of households

3 Robust growth could put India among the top three global economies by 2015...



4 ... fuelled by services and manufacturing if current trends hold up.



Source: Enam Research, IMF, UN, NCAER, RBI, CSO

SANTOSH KUSHWAHA

BT Retro
September 25, 2005

IT's Tier-II Blues

THEN: It is a fact that most of the mid-size IT companies have been quoting at 13 to 14 times earnings, compared to 32 and 33 multiples of the big IT companies such as Infosys and Wipro. Their growth is also not likely to be more than 20-30 per cent in the near future, compared to the 50-60 per cent rate expected of tier-I companies.

So the question is, where is MphasiS and others of its ilk, such as Polaris, Hexaware, Subex, Sasken, iGate, Patni and Mastek headed? With revenues ranging between $200 million and $500 million (₹880 crore and ₹2,200 crore), how many of them will make it to IT's billion-dollar league and how soon, and what happens to those that are not growing fast enough?

Talk to analysts on Dalal Street, and you will hear mixed opinions on the prospects of such companies. There is, however, unanimity on two issues. One, that they will need a well-defined and differentiated positioning against tier-I players and, two, they will need diversification and a stronger focus on product development. "As business pitches get crowded with top (five or six) IT vendors (who, according to Nasscom, account for almost half of the industry revenues) also competing for the space that mid-size IT companies operate in, the latter will have to review their survival tactics," says Partha Iyengar, Vice President (Research) at IT consulting and research firm Gartner. Another route, analysts say, that companies need to explore is that of newer markets.

NOW: The challenges remain the same for mid-size IT companies. Infosys and TCS continue to be the IT bellwether stocks on Dalal Street, with well spread out businesses geographically offering end-to-end solutions. The mid-size pack has a lot of catching up to do.

3

November 2010
The environment ministry bans construction at Lavasa citing violation of environmental norms.

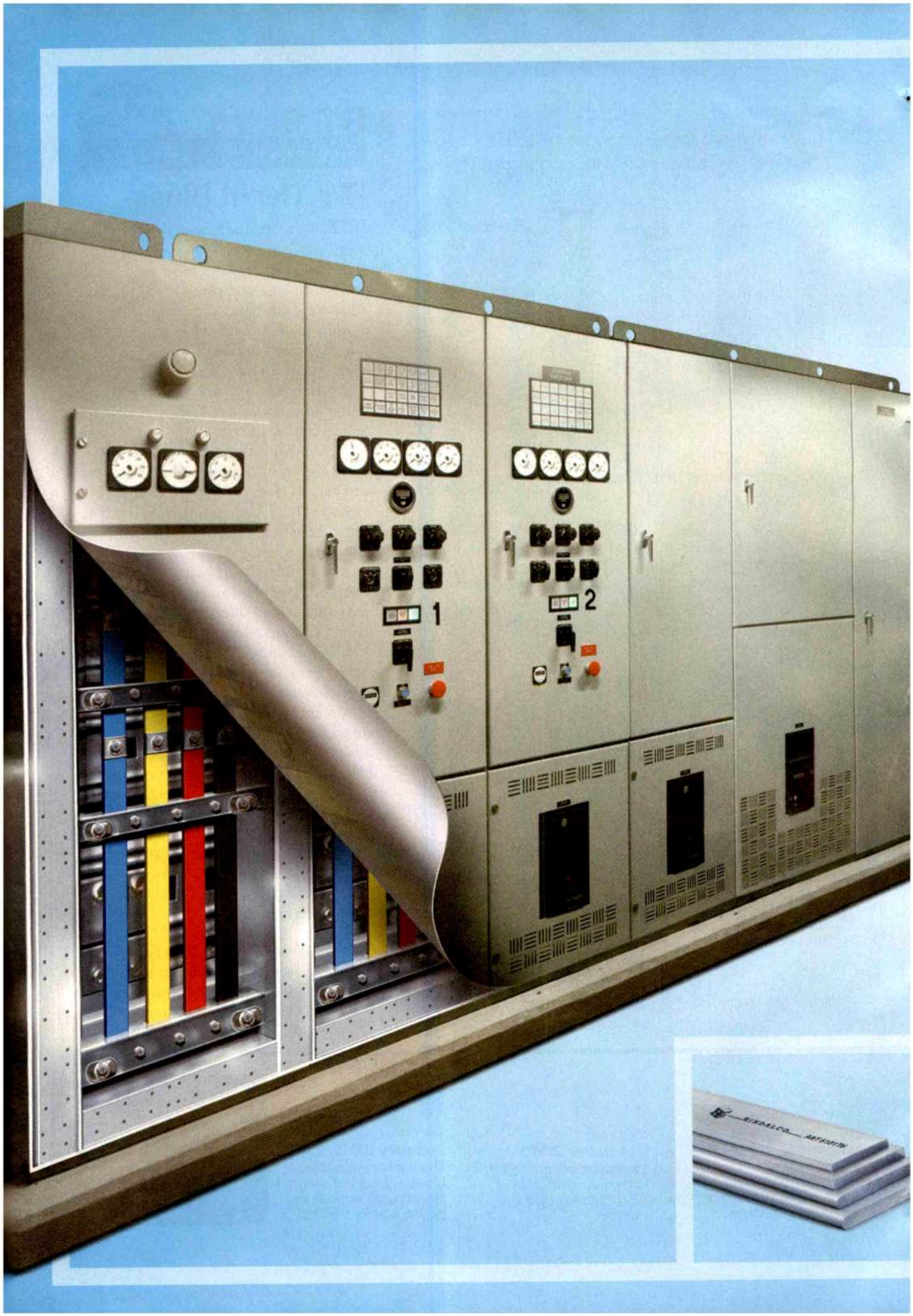
4

December 2010
Lavasa defers proposed initial public offering of ₹2,000 crore by six months.

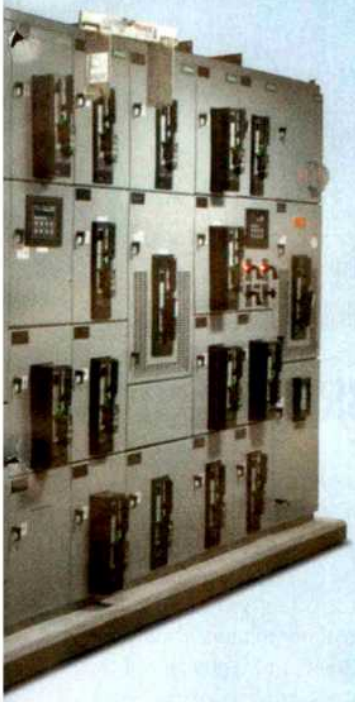
5

January 2011
The ministry declares Lavasa illegal but says the project can continue by paying a hefty penalty.

T.V. MAHALINGAM


1
2

ADITYA BIRLA
HINDALCO



YOU SEE A SUBSTATION THAT ENSURES INTELLIGENT DISTRIBUTION OF POWER.

WE SEE OUR HIGH-QUALITY EXTRUSIONS MAKING IT POSSIBLE.

WHEN IT'S EXPERTISE IN ALUMINIUM EXTRUSIONS, LET HINDALCO BE YOUR STRENGTH.

Hindalco's expertise lies in quality. Made from virgin aluminium, Hindalco Extrusions are preferred for their superior alloy composition and metallurgical properties to meet the most stringent performance parameters. Our expertise in extrusions is backed by superior Wagstaff AirSlip® billet casting technology. Hindalco Extrusions are trusted for high-quality applications in Power, Electrical and Electronics applications. Hindalco's excellence is also backed by superior service from a team of dedicated experts who customize solutions after understanding specific customer needs. Expertise, in quality and service, makes Hindalco Extrusions the strength behind industries.

Industries using Hindalco Extrusions: • Building & Construction • Transportation • Electrical & Electronics • Industrial Machinery • Consumer Durables • Defence

HINDALCO
EXTRUSIONS
EXPERTISE IS OUR STRENGTH

www.hindalcoextrusions.com

Network HE2085-10

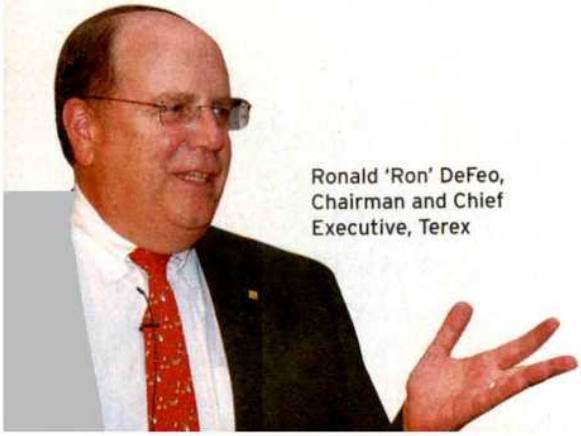
"INDIA CAN BE AN EXPORT HUB"

RONALD 'RON' DEFEO, *Chairman and Chief Executive of Terex, the $4.5-billion construction equipment giant, visited India recently. He took time out for an interaction with* BT's RAHUL SACHITANAND *in between meetings with clients. Edited excerpts:*

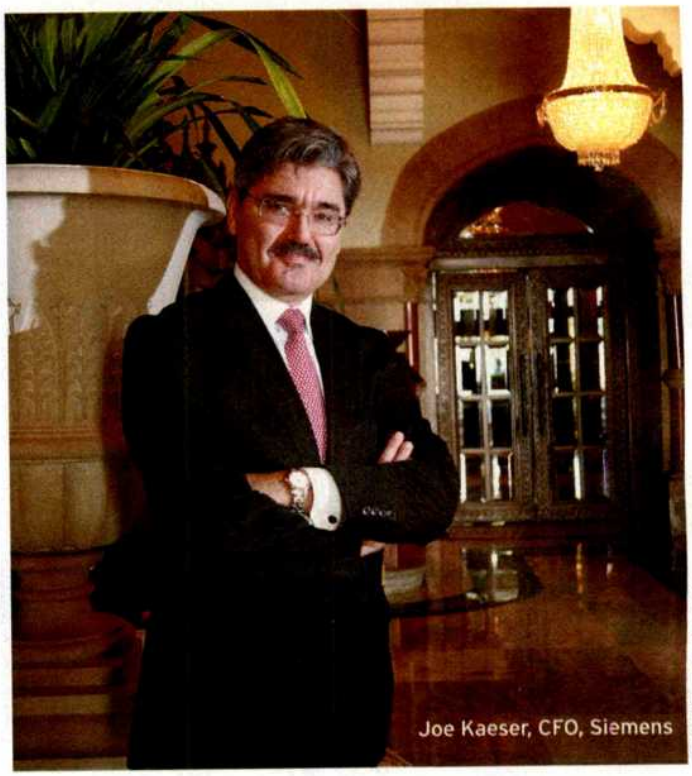
India, China and Brazil are our three fastest growing regions. We currently get around a third of our business from what we term emerging economies, and in the future almost 50 per cent of our business will come from them as we intensify our focus on this region.

We think India can be a billion-dollar business in 10 years for us because of the boom in construction. Terex is committed to investing and expanding in India. We have opened a production line for cranes in Hosur, expanding beyond crushers. We also have a factory in Noida, which makes backhoe loaders and is playing a central role in devising smaller and cheaper backhoe loaders for emerging markets. Eventually, we want to make our India factories export hubs.

Among our competitors, JCB is the oldest and most recognised brand in the Indian market, and they took an early bet and made large investments here. Many of our other global rivals, too, are here, such as Caterpillar and Volvo Construction, and are scaling up operations. However, we think we are expanding at the right time.



Ronald 'Ron' DeFeo, Chairman and Chief Executive, Terex



Joe Kaeser, CFO, Siemens

NISHIKANT GAMRE

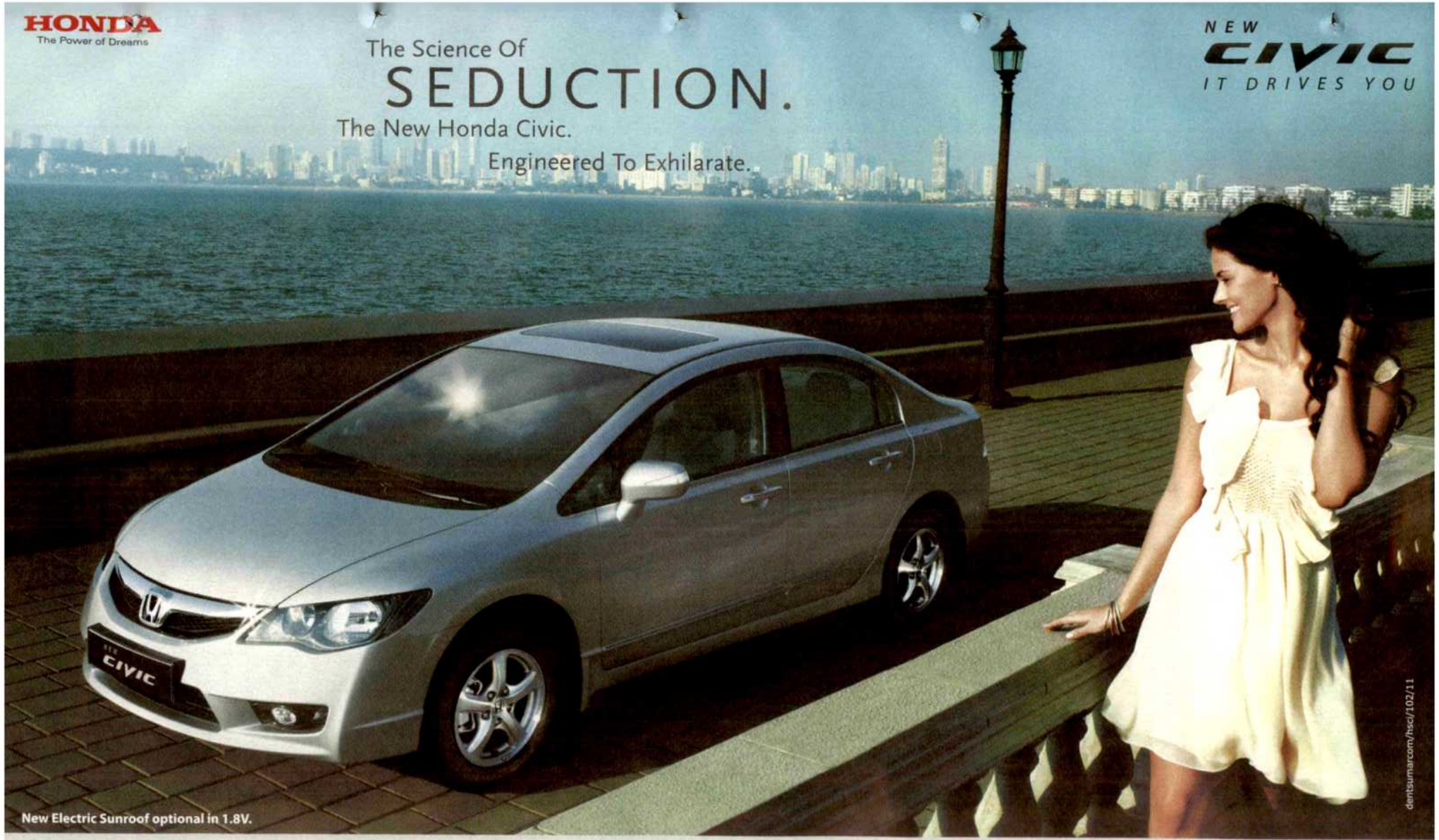
"We Seek Growth in BRIC Nations"

JOE KAESER, *CFO of the German engineering conglomerate Siemens, was in Mumbai recently to fine-tune the company's India strategy. He spoke to* BT's SUMAN LAYAK. *Edited excerpts:*

We faced two crises: One internal and the other was the global financial crisis. The internal crisis was one of compliance that led to a change in the CEO of the company in 2007, in 80 per cent of the management board and 50 per cent of the supervisory board. We settled with authorities in the US and Germany and it led to a cultural change in the way we operate now. With Siemens back on track as a normal company in the top league, we have a strategic framework for the company to operate in and a clear growth scenario.

Growth has to be capital-efficient. While we seek growth markets in the BRIC nations (Brazil, Russia, India, and China), we must also defend our developed markets, which bring in two-thirds of our revenues. Growth must come in a way that it pays dividends and profitability is what brings in dividends.

Siemens AG applied for and got its banking licence in Germany in end-2010. This bank will be operating in infrastructure finance, as that is where we operate. So, in many cases, due to our long-term business domain know-how, we can offer tailor-made financing to our customers compared to what the usual housing banks can provide.



Advanced 1.8L i-VTEC engine, 132 PS, 5 speed AT with paddle shift, cruise control also in MT, new rear parking sensors, smokey headlights, rear octagonal combination lights, new alloy wheels, sporty chrome front grille, ORVM turn indicators, fog lamps, dual exhaust pipe finisher, multiplex meter with illumination control, USB port and auxiliary jack, full flat rear floor, rear audio control, plush leather upholstery, rear reading lights, opposed flat blade type windscreen wipers, fuel economy indicator, premium audio system with 6 speakers, dual front SRS airbags, ABS, EBD and Brake Assist, pretensioner seatbelts. Now also available in Urban Titanium.

2+2 years Extended Warranty | 4 years Roadside Assistance | The new Civic is available in 1.8S MT and 1.8V MT & AT | ***www.hondacarindia.com***

couples incredible power with great fuel efficiency i-VTEC | impact absorbing structure for greater safety G-CON | "best premium midsize car in initial quality, 3rd consecutive year."

Disclaimer: The Honda Civic received the lowest number of problems per 100 vehicles among premium midsize cars in the propriety JD Power Asia Pacific 2010 India Initial Quality Study. Visit jdpower.com.

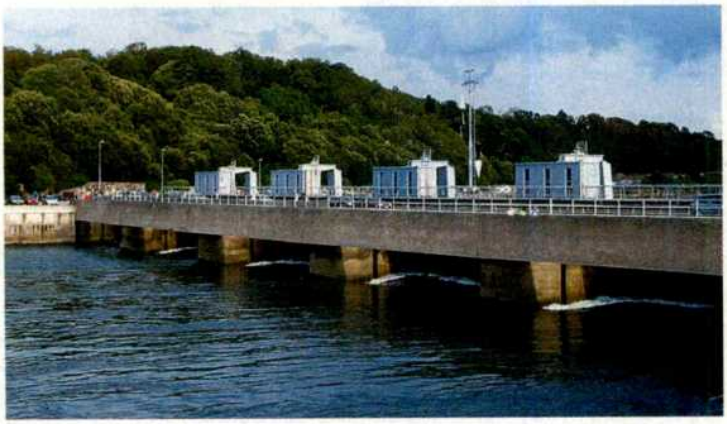
HONDA

HOW THINGS WORK

Tidal Power

India is planning to come up with its first commercial-scale tidal power station off the Gujarat coast, according to a recent BBC report. Construction of the 50 MW tidal firm is expected to begin in the Gulf of Kutch by 2011. So, how is electricity produced from tides?

To understand that, one needs to know how tides work. Tides are formed through a combination of forces exerted by the gravitational pull of the sun, the moon, and the earth's rotation. Electricity can be produced by creating a reservoir or a basin behind a barrage and then passing tidal waters through turbines in the barrage. A major drawback of tidal power stations is that they can generate energy only when the tides are flowing in or out. And tidal plants cannot be built on any coastline. Factors like the height of the tides, the topography of the area are crucial in the success of a tidal power project. In India, some locations like the Gulf of Cambay, Gulf of Kutch and some areas of the Sunderbans are suitable for tidal power plants.



JUST WONDERING

Take-off Delay

Three years after its conceptualisation in 2008, the proposed international airport in Mohali shows no sign of taking off. Not even a date for beginning of construction work has been set. However, politicians, states and government bodies have clashed on a variety of issues, which, in turn, have added to the red tape around the project. The Punjab and Haryana governments publicly bickered on the naming of the airport. Currently, the Airports Authority of India (AAI) and Indian Air Force (IAF) are at loggerheads. The international airport is coming up right next to the existing Chandigarh airport, which is a defence airport. Any construction in the vicinity will require a no-objection certificate from the IAF. According to reports, the IAF is yet to grant that certificate, further delaying work. Given the way things are going, the possibility of any flights taking off from this airport in the near future looks extremely thin.

COMPILED BY T.V. MAHALINGAM

Quirky

The Open Sesame Bank

There are no thieves at Shani Shignapur, a small village in central Maharashtra. It is believed that any theft will be punished by the town's presiding deity, Shani, the Hindu god of Saturn. Hence, all houses and commercial establishments of the town leave their doors open and do not use locks, even at night. Naturally, banks were not queuing up to open branches in Shani Shignapur, despite the fact that lakhs of pilgrims visit the Shani temple every month. That is about to change with UCO Bank all set to open a lockless branch – the world's first – here. Naturally, the local constabulary was not jumping with joy at the prospect of an open-door bank branch, but eventually faith and some amount of forceful persuasion from the local politicians helped them tide over the misgivings. Surely, this is one case where faith conquers all.

Snoot Corner

When in China...

Always be on time. When you address your Chinese host, remember Chinese surnames come first. The guest of honour always sits on the right of the host. Like in the rest of East Asia, accept visiting cards with both hands. Never pocket the cards without reading them. Chit-chat. Nobody signs on the dotted line in the first meeting. Even if you are using a translator, do not talk to the translator. Talk to the host. Finally, say no by beating about the bush. Do not be direct in refusal.

RAJAT BARAN

INDUSTRY LEADERS
ACROSS VARIOUS SECTORS
ARE MOVING TO A NEW ADDRESS.

ARE YOU?

PRESENTING AMRL HITECH CITY MULTI-PRODUCT SEZ

The AMRL Multi-product SEZ, planned by Mahindra Consulting Engineers, is a joint venture between the AMR Group of Hyderabad and the Government of Tamil Nadu through Tamil Nadu Industrial Development Corporation Ltd. (TIDCO) that will house diverse industries and factories in a major industrial township. Strategically located at Nanguneri in Tamil Nadu, the SEZ offers swift and easy connectivity with the outside world by road, rail, air and sea.

The AMRL SEZ, spread across an area of 2,500 acres, is designed to be a self-sufficient industrial township, where a sound infrastructural framework supports your production operations, where global connectivity ensures your optimal business growth and where you can enjoy the pleasures of modern day living such as schools, hospitals, recreation centers, department stores and much more, set in a serene ambience.

TIDCO

A joint venture with
Tamil Nadu Industrial
Development Corporation Ltd.

To book your space or for more information on AMRL Multi-product SEZ call us on +91-44-42316662 or mail us at info@amrlsez.com / sales@amrlsez.com
www.amrlsez.com

Get the AMRL SEZ Advantage.
Book your space NOW.

P/3458

AMRL HITECH CITY LIMITED
Flat # 6, First Floor, Crystal Cove, Door No. 93/59
Sachdev Avenue, MRC Nagar Main Road
MRC Nagar, R A Puram, Chennai - 600 028
Phone : + 91 - 44 - 42316662 / 96000 19700
Fax No : +91- 44 - 42316661

AMRL HITECH CITY
LIMITED

AICTE fiat sets the clock back on B-schools

The All India Council for Technical Education, or AICTE, issued a notification on December 27, 2010 that surely spoilt the New Year party of many B-school directors. The notice, which threatens to drastically curtail the autonomy of B-schools and open the floodgates of corruption, will only stymie the growth of quality institutions in the private sector.

Implementation of the notification will see state governments deciding and controlling the fee structure and admission procedure in AICTE-approved B-schools. Further, the major part of the curriculum will be designed by the council and admissions will be restricted to April and May only.

While the last two decades have seen a proliferation of private B-schools, it is true that many of them offer sub-standard education. Of the 2,000-odd B-schools in the country, just about 50 have systems and processes in place to deliver quality education. However, if the main objective of the new control regime is to ensure quality for the rest, the authorities have got it completely wrong.

Historically, AICTE controls have only facilitated the mushrooming of dubious management institutes, strangulating the growth of good ones in the process. For example, its diktat to restrict student intake for the first year to 60 and incremental increase in subsequent years created difficulties for genuine players as they found it difficult to break even without at least 500 students on the campus. The demand created by a liberalised economy was filled by dubious institutes, which either blatantly violated the law or survived by bribing the regulator. Such schools often siphoned off the surplus generated from student fees, did not invest in faculty and lured students with misleading advertisements.

AICTE controls have only facilitated the mushrooming of dubious management institutes, strangulating the growth of good ones in the process... Worldwide, autonomy is the hallmark of reputed institutes

The right approach to ensure quality is to facilitate growth of good institutes so that they can crowd out the dubious ones, a process that has already begun. Last year, around 60,000 or about 30 per cent of the AICTE-approved management seats went vacant. One important reason behind this was that reputed B-schools were allowed to significantly increase their capacity in the past few years.

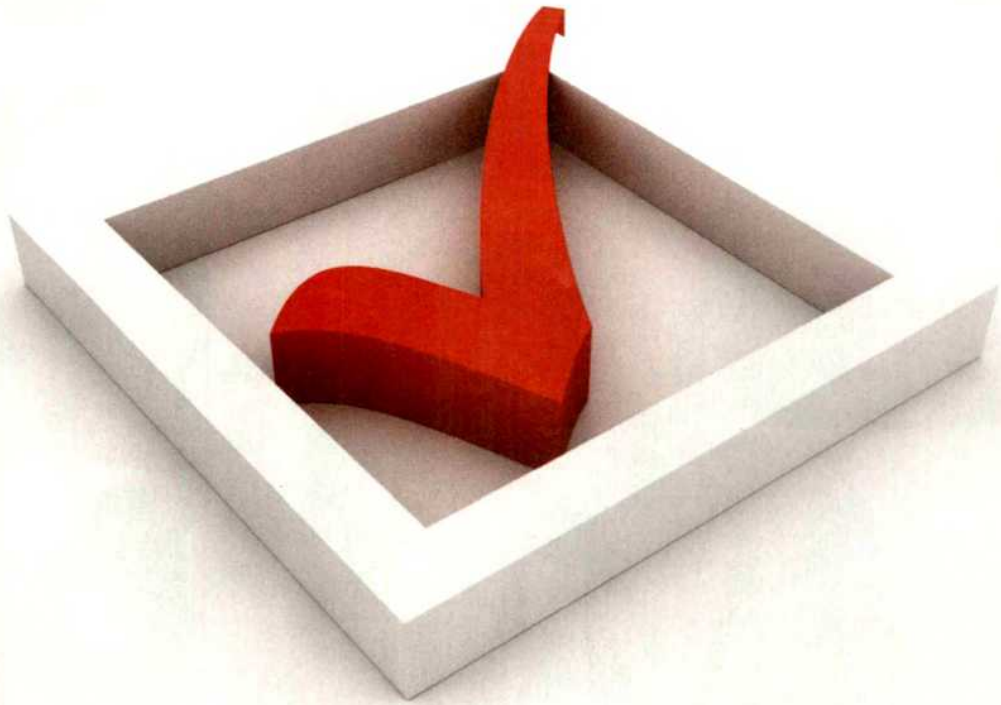
The new set of rules will only move the wheel backwards, creating hurdles for serious players such as a shortage of funds to invest in faculty, inability to get the right students and implement innovations in curriculum, pedagogy, etc. Meanwhile, the shoddy ones will continue to buy their existence. One cannot expect B-schools to achieve world-class standards by charging a low fee. The existing fee committees of various states are already entangled in legal battles and corruption charges. Restricting admissions to only April and May, when most universities conduct their exams, will create problems for prospective students and institutes alike.

I have been actively involved in the performance appraisal exercise of Indian B-schools for more than a decade. In the process, I have visited all the top-ranked private B-schools. The directors of these institutes attribute their success to the autonomy given to them in curriculum design, student selection and revenue generation. Worldwide, autonomy is the hallmark of reputed institutes. Autonomy breeds innovation.

In the Indian context, the regulator's job should be to see that students do not become victims of misleading claims by an institute. It is already mandatory for B-schools to display the accurate data pertaining to faculty, placements, infrastructure, etc., on their website. AICTE should have a mechanism to regularly check such data and advertisements, redress student grievances and punish the guilty.

Controls beyond this will be retrograde and only breed corruption. ◆

The author is the Chief Executive of C fore



Kyocera - Reliability rules.

TASKalfa

TASKalfa 500ci provides exceptional efficiency and reliability due to its long-life components. The flexible all-rounder and perfect partner for volume output with hardly any breakdowns. It provides all the functions and finishing options you need with its versatility in printing, copying and scanning ... **all in brilliant colour.**

TASKalfa 500ci
PRINT • COPY • SCAN • FAX

KYOCERA MITA India Pvt Ltd
First Floor, Orchid Centre, Sector-53,
Golf Course Road, Gurgaon (Haryana).
Tel: +91-124-4671000 Fax: +91-124-4671001
E-mail: dilip.kanth@kyoceramita.co.in
• **Mumbai :** 022-61299292 • **Pune :** 020-66440909
• **Ahmedabad :** 079-30006864

KYOCERA

KYOCERA MITA Corporation, Japan

www.kyoceramita.co.in

AMARTYA SEN, 77,
Thomas W. Lamont University Professor, Professor of Economics and Philosophy at Harvard University, and 1998 Nobel Laureate in Economics

PHOTOGRAPHS BY NISHIKANT GAMRE

Venerable is not a word that comes easily to describe an economist today. But it fits the slight, stooped frame of AMARTYA SEN *quite without hitch. The Professor of Economics and Philosophy at Harvard University and Economics Nobel Laureate was in Mumbai recently in his role as jury chair for the Infosys Prize 2010 for social sciences.* BT'S VIRAT MARKANDEYA *and* SUMAN LAYAK *caught up with him for an exclusive interaction. Edited excerpts:*

PRIVATE ENTERPRISE NEEDS TO THINK BIG ABOUT SOCIETY

BT: Has India made progress on inclusive growth over the past decade?

AMARTYA SEN: There are two different ideas here. One is whether the idea of inclusive growth is as clear and as able to deliver what we need, as we sometimes assume. And the second is, what are we doing about it?

On the first... economic growth is very useful for two distinct reasons. First, it can generate income to the relatively poor and to the extent that this happens, a growth that is inclusive is poverty alleviating. Second, economic growth generates public revenue, usually faster than the growth of GDP. The Indian experience has been that when the economy is growing at 6 to 9 per cent, public revenue will be growing between 9 and 12 per cent. That opens up opportunity for the government to do many things with those resources for the removal of poverty, including the things some of us have been crying about, shouting about... education, health care and undernourishment.

I think the idea of inclusive growth must include the latter, for it is a very important part of why economic growth is a good thing... India has been generating a lot of public revenue — for sure. Has it been used to expand education and health care? Certainly, to some extent the present government has done something. (But) they could have done a lot more, and should do much more now. It is silly to debate on whether growth is a good thing. Of course it is, and potentially it can be very important. But we have to do much more to get the fruits of growth inclusively shared.

> It is silly to debate on whether growth is a good thing. Of course it is... But we have to do much more to get the fruits of growth inclusively shared

So would you say that the middle class has a greater chance of prospering?

In a competitive market economy, better placed are those who are already educated, in primary schools and high schools, and more, and those with the opportunity to acquire further skills. If you haven't got primary education — either because there were no schools or you went to some school which was dreadful — you don't have the initial platform to stand on. There are real difficulties for these people.

It's important to emphasise that public revenue can be used to change this. Just to give an example: India spends 1.1 per cent of its GDP on health care. China spends close to 2 per cent. In fact, the same percentage would mean more

in China since its GDP base is larger, but even if you leave that aside, in comparative proportional terms, we spend only half of what the Chinese do. And if you look at education, there is a similar contrast.

What role could the private sector and entrepreneurship play in such development?

Well, our entrepreneurship has been mainly concentrated on being able to make big money, and they have done that. I would say this: entrepreneurship is not just about creating opportunity for yourself; it is also about expanding that opportunity for others. I think the Indian record of doing well for oneself has been quite good and I'm not decrying it. It's a part of economic growth. If not for these entrepreneurs, India would not be having 8 to 9 per cent growth... But the commitment has to be broad-based. People have to do things about the coverage of people in the country and thereby do something for the country. I do think that the private enterprises should think big... thinking big about the society, rather than thinking small, namely, only about your own growth. It is, of course, primarily the job of the government to get the basic health care and education going, but entrepreneurs could supplement what the government does.

Microfinance was considered a tool to allow people the opportunity to generate income. Do you think the sector is headed in the right direction?

I think microfinance is a messy subject. Let me say four things about it. One: microfinance could be, despite all the negative things said about it, a very good way of pulling some people up who have other opportunities but do not have the finance. Secondly, it can never act on its own. And I was saying that when it was being eulogised and not criticised as it is now. It has to work alongside health care, education, employment opportunities... The third point is microfinance is finance. What we know from the financial crisis of 2008 is that finance does need regulation. That applies as much to microfinance as it does to big finance. The fact that microfinance can be of assistance to the poor does not mean exemption from the need for intelligent regulation. Fourth, there is need for extensive discussion about what you are doing when you take microcredit. And, indeed, in the early days of both the Grameen Bank and BRAC in Bangladesh, they spent a lot of time educating the public... When you are very poor and somebody offers you ready money, you take it. If the Americans can fall for it to buy houses, I don't blame the Indian peasant falling for it with very much lower income.

In its urge to grow, Indian industry has been on an acquisition binge for land. In the process, you could argue it has been adding to the deprivation of the poor... is there a better way to go about this?

> I'm sometimes described as being against the state or in favour of the state... or against the market and sometimes I'm asked, which am I? And the answer is: 'all of them'

I'm not in favour of simply stopping land transactions. That way lies a very sub-optimal market performance. You have to recognise that land acquisition can be a problem but you have to deal with it. And here microfinance could be useful for poor people to retain their land... one has to think in comprehensive terms. How microfinance relates to land preservation, how education, health care could improve the effectiveness of microfinance and how microfinance could be used to increase the coverage of education and health care. It is really that integrative approach that I'm arguing for... I'm sometimes described as being against the state or in favour of the state... or for the market or against the market; and sometimes I'm asked, which am I? And the answer is: "all of them". We need a multiplicity of good institutions, as Adam Smith had discussed clearly and powerfully.

You wrote about GDP being an inadequate measure...

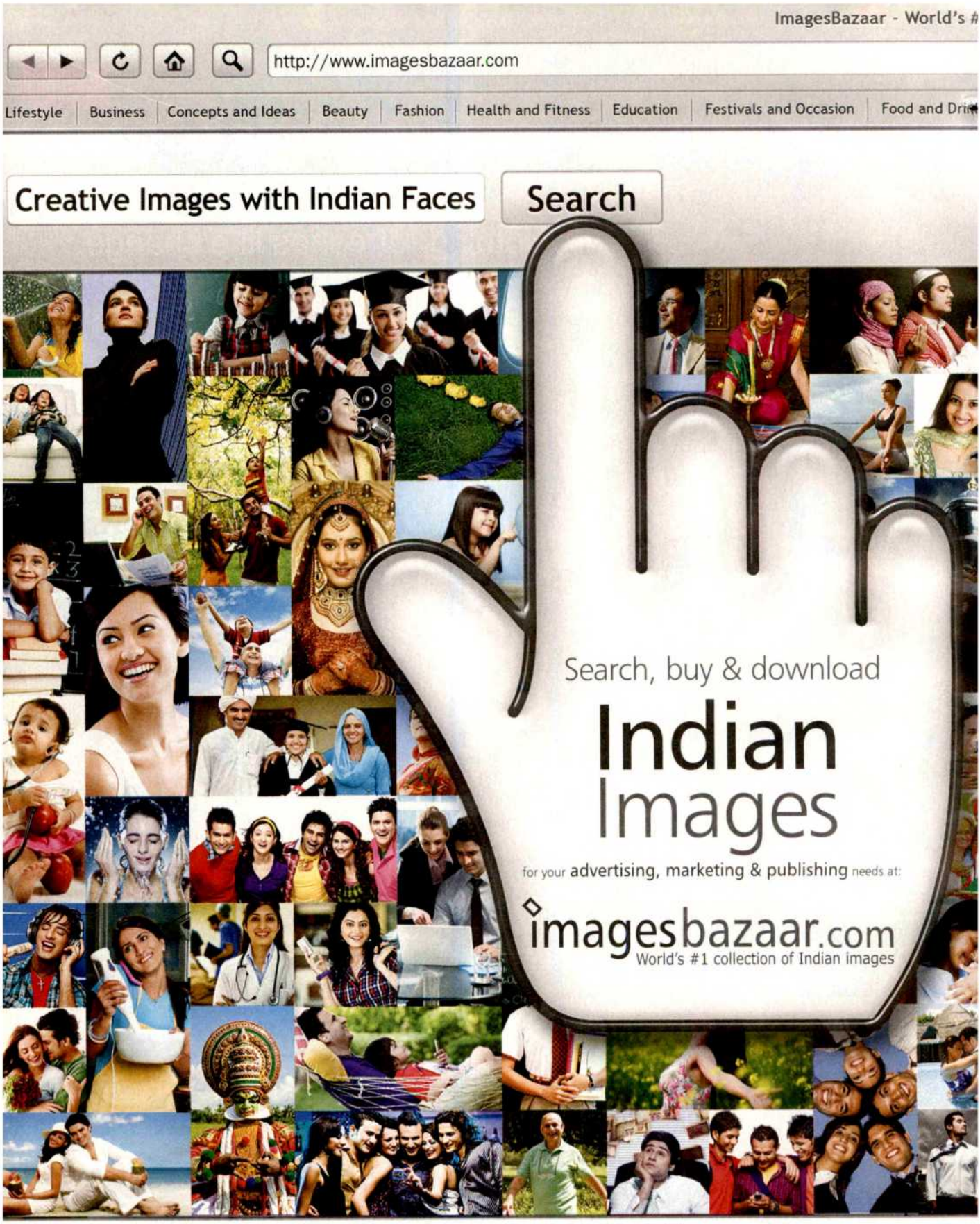
GDP is a useful measure of material opulence, but it is an inadequate measure of people's well-being and their freedom. GDP increases your opportunity to lead a good life, sure. It increases your opportunity to do things that you otherwise couldn't do. It expands your freedom, yes. But there are other aspects of freedom: what is the state doing with the GDP? If I don't have primary schools in my area, if I don't have hospitals, even if GDP comes to me as income, I can't do much for my children. Similarly, if I live in a malaria-infested area where epidemiological intervention is terrible, then my higher income, as a part of a higher GDP, without it being properly channelled for use, will not make an adequate difference to my well-being...We must not lose sight of the real need for creating more options. We have to go beyond GDP, we have to go beyond indicators of psychological satisfaction to the real opportunities, real freedoms. ◆

To hear excerpts from the full interview, go to www.businesstoday.in/sen

Crabtree is now BENELAVE™

Crabtree bath fittings is now Benelave. A wider range and higher level of quality.
The latest technology, HSIL's reputed standards of service and 50 years of experience.
So happiness flows, pure and free.

HSIL Limited: Unit No. 301-302, IIIrd Floor, Park Centra, Sector 30, N.H-8, Gurgaon - 122001, Haryana, INDIA.
Phone no.: +91-124-4779200 Fax no.: +91-124-4292898/9 Email: customercare@benelave.com **Website: www.benelave.com**



ImagesBazaar provides a one of its kind online resource for searching, purchasin
ImagesBazaar is the World's largest collection of creative images with Indian face
images for their **advertising, marketing and publishing** needs. Log on t

collection of Indian images

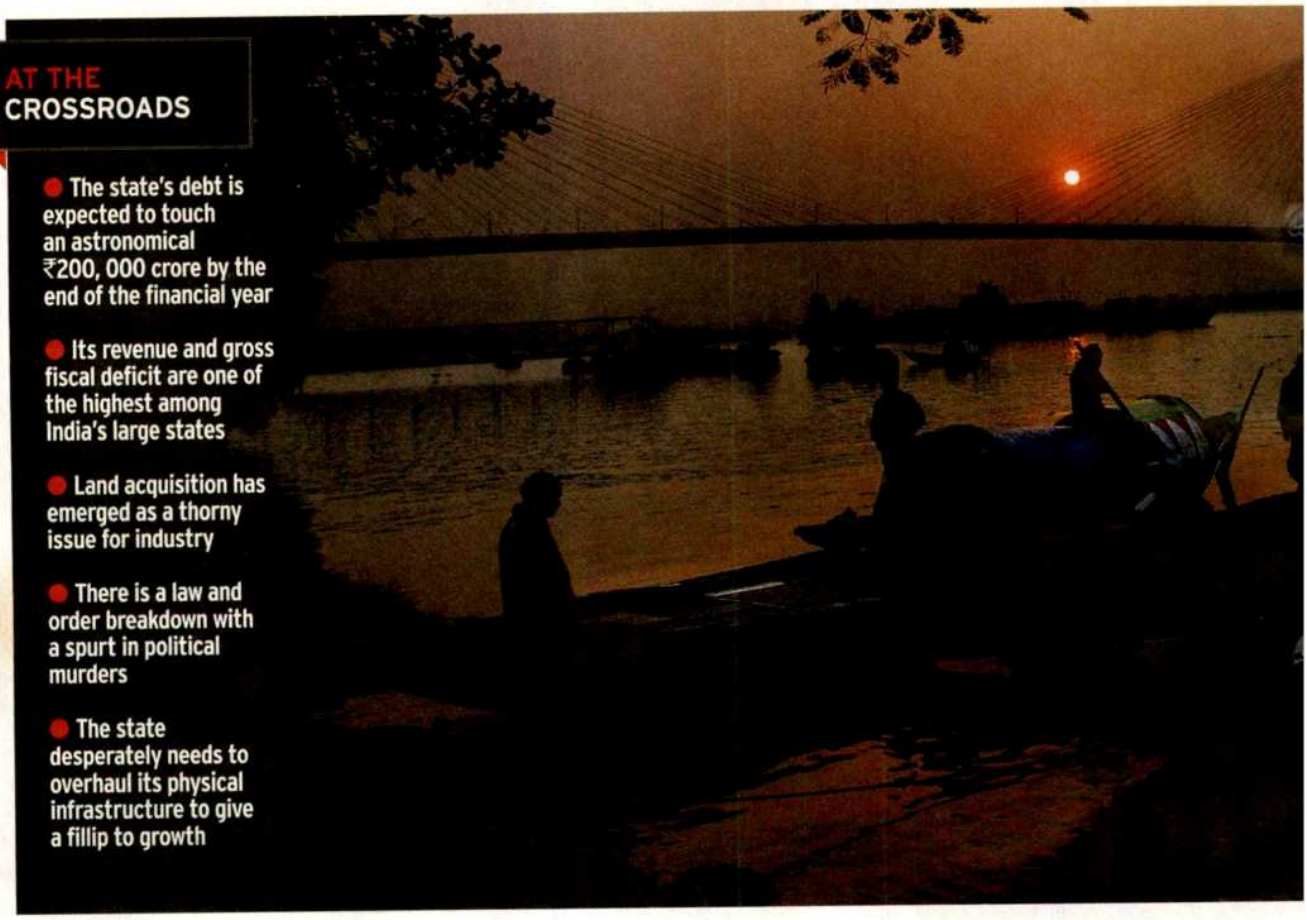
Indian Culture | Nature | Rural India | Sports andL eisure | Technology | Vacations and Holidays | Shopping and Retail | Illustrations

nd downloading exclusive **Indian images.** With over **900,000 images,** t present, over **7000 clients** in more than **45 countries** are using our ww imagesbazaar.com today!

ennai: 93400-66666 | Kolkata: 93399-66666 | Cochin: 93885-66666 | Hyderabad: 93488-66666 | Ahmedabad: 93761-66666

SUNDOWN

With elections around the corner, hope reignites in West Bengal, an



AT THE CROSSROADS

- The state's debt is expected to touch an astronomical ₹200, 000 crore by the end of the financial year
- Its revenue and gross fiscal deficit are one of the highest among India's large states
- Land acquisition has emerged as a thorny issue for industry
- There is a law and order breakdown with a spurt in political murders
- The state desperately needs to overhaul its physical infrastructure to give a fillip to growth

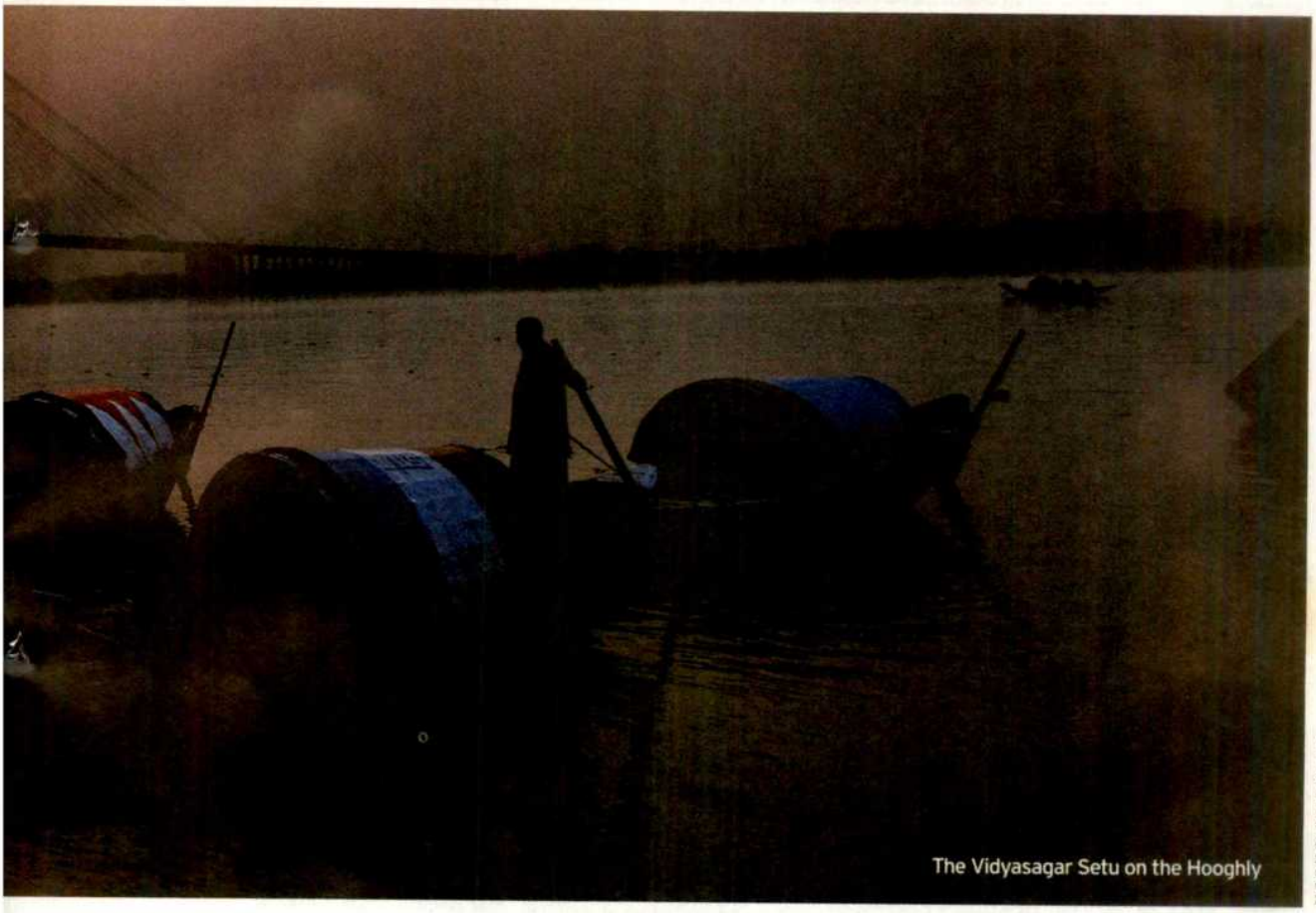
The grey-blue corrugated steel building lies abandoned and desolate, surrounded by fields of mustard and potato. This is where the industrial dreams of a 21st century West Bengal lie buried — the factory site of Tata Motors at Singur, some 40 km north of Kolkata.

It is 28 months since Tata Group Chairman Ratan Tata announced the auto company's pullout from the half-finished factory at Singur, but villagers in Joymollah and Baraberi behind the plant are still angry. Many feel hard done by. Says Gayaram Pakhira, a villager whose family gave up 16 *bighas* (around five acres), "We have nothing now, no land, no job and no promise of a job. They did not even want us as security guards." Others have cut their losses by stealing from the plant premises. Construction equipment, window frames, barbed wire, cables, stakes... nothing has been spared.

The sense of despair at Singur, in a way, seems to be symptomatic of the morass West Bengal has slipped into. Red tape, policy inertia and a law and order breakdown have been chipping away at the state's economy, once upon a time India's foremost. The mood on the street is palpable: anger against a political regime, in power for 34 years, which is blamed for running the state aground when others have risen rapidly in two decades of economic reforms. Resentment, bordering on rage, that is expected to show up at the hustings this summer propelling the ruling Communists out of government. The usurper: Mamata Banerjee, leader of the Trinamool Congress, Union Railways Minister and *enfant terrible* in the state estab-

OR SUNRISE?

economy most had written off. BY KUSHAN MITRA



The Vidyasagar Setu on the Hooghly

SHEKHAR GHOSH

lishment. Says M.K. Jalan, Chairman of the Kolkata-based conglomerate, Keventer group, "We are at the bottom now. Things cannot get any worse. If Mamata comes to power, the CPI(M) will be a good opposition and it will force the government to do development work."

In a bustling lane off B.B.D Bag in Kolkata, which still lodges big business houses in imposing Victorian buildings, a prominent industrialist, who offers to speak on the condition of anonymity, agrees. "There is no interest in economic development," he says. He talks of a recent project which he was keen to establish in West Bengal but also explored a site in Gujarat. Those in power at the Writers' Buildings, the office of the state government, promised to help but little came of it. Until the local press got wind of it and a news article caught the attention of the Gujarat industries department in distant Gandhinagar. The Gujarat Industries Secretary called up the Kolkata industrialist and visited him the next day. And, just 45 days later, the ground was broken for a factory in south Gujarat. "In 45 days in West Bengal a file would not move from one table to another," shrugs the industrialist.

Losing prime projects is something a state can ill afford in an era of hyper-competitiveness, least of all West Bengal's near-comatose local economy. The state domestic product, or SDP, has expanded at a modest 5.5 per cent over the last ten years, making it an underperformer compared to other big states such as Andhra Pradesh, Gujarat and Tamil Nadu. It has managed so far by borrowing like there is no tomorrow. At the end of March 2010, as per latest available data, outstanding liabilities of West

"PEACE IS THE MOST IMPORTANT THING IN THE STATE RIGHT NOW. WITHOUT IT YOU CAN FORGET INDUSTRY"
Vishambhar Saran, Chairman, VISA Steel

Bengal stood at ₹168,684 crore, behind only Uttar Pradesh and Maharashtra.

By the time the current financial year ends — and it is time for state elections — that number, economists predict, would have topped ₹200,000 crore: a four-fold increase in the last decade. Around 97 per cent of West Bengal's revenues is spent on paying interest for loans and also for salaries, and its gross fiscal deficit of 3.7 per cent (2008-09) is the largest among India's large states. Not surprisingly, it also has the lowest investment patterns.

Brief Resurgence

A decade ago things looked quite different. In 2000, Jyoti Basu had stepped down after 23 years of rule to make way for current Chief Minister Buddhadeb Bhattacharjee. "There was a sense of optimism in the state and there was some progress on the infrastructure front. The state actually geared up to attract investment," says Vishambhar Saran, Chairman of Kolkata-based VISA Steel.

The 2001 and 2006 polls were showcase elections for the Left Front as it won 199 and 235 seats out of the total 290 in the state legislature. This rich electoral harvest under Bhattacharjee, coupled with the fact that the Communist Party of India (Marxist), or CPI(M), was also influencing policy at the Centre for the first United Progressive Alliance, or UPA I. "A cocky confidence," interprets the local industrialist quoted earlier. This led to complacency with development taking a backseat, except for the hard efforts on part of the government to woo the Tatas. The resulting disenchantment with the Left led to the resurgence of the Opposition under the feisty Banerjee.

On the outskirts of Kolkata, hidden behind shops selling construction equipment on what was once a marsh is Trinamool Bhawan, possibly the least impressive party headquarter in India, reflective of the spartan lifestyle Banerjee espouses. "In the 1960s, West Bengal accounted for over 21 per cent of the nation's industrial output. Today, that number is under three per cent," points out Trinamool Congress spokesman Derek O'Brien, known until a few years ago as a TV host and quizmaster.

A lot of this decline may have come about because of an industry wary of the Communists in power and worker unions, and unlike other states with a Left presence like Kerala, West Bengal does not have the benefit of remittances from expatriate workers. "The party's position that it would protect the proletariat has done immense harm to the proletariat itself," says Amit Mitra, Secretary-General of the Federation of Indian Chambers of Commerce and

SHEKHAR GHOSH

Protestors at the Burnpur SAIL plant demanding jobs

MIRED IN DEBT

West Bengal seems to be perilously close to bankruptcy

POPULATION: 89.158 million (October 2010 estimate)

NET STATE DOMESTIC PRODUCT: ₹317,837 cr (2008-09; at current prices)

STATE PER CAPITA INCOME: ₹36,322 (2008-09)

STATE DEBT (OUTSTANDING LIABILITIES): ₹168,684 cr (end-March 2010)

STATE DEBT PER CAPITA: ₹18,920 (at current prices)

REVENUE DEFICIT (AS % OF GDP): 3.7% (2008-09; the highest in India)

"IN THE 1960S, WEST BENGAL ACCOUNTED FOR OVER 21 PER CENT OF THE NATION'S INDUSTRIAL OUTPUT. TODAY, THAT NUMBER IS UNDER 3 PER CENT"

Derek O' Brien, Spokesperson, Trinamool Congress

Industry. "The belief that direct action is better than negotiation has crippled the state."

People with inside knowledge of the Trinamool Congress's workings say Banerjee has big plans for business but little is revealed. O'Brien says "peace" is the first priority. The local dailies are filled with reports of political murders across the state and estimates put their number at over 10 a day. "The longer the wait for the election, the worse it will get," he warns.

Both Trinamool and the ruling CPI(M) portray themselves as victims. The truth is somewhere in between. "Peace is the most important thing in the state right now; without it you can forget industry," says VISA's Saran.

Not All Is Lost

The situation may seem dire, but it is not all doom and gloom. Take software services major Cognizant Technology Solutions, which set up shop in Kolkata in 1996 and today has around 8,000 workers there. "Being in Kolkata has allowed us to target some of the best talent in the country," says Ramkumar Ramamoorthy, Vice President, Marketing and Communication. In mid-January, Cognizant opened the Rs 200-crore first phase of a mega-campus in Bantala, on the outskirts of Kolkata, which will expand to 16,000 people when all four phases are complete. "We have learnt to do business in West Bengal," says

Nominations are invited for

LAL BAHADUR SHASTRI NATIONAL AWARD FOR EXCELLENCE IN PUBLIC ADMINISTRATION, ACADEMICS AND MANAGEMENT - 2011

Nominations are invited for the prestigious Award which honours each year an individual, residing either in India or abroad, and is an exceptionally outstanding and distinguished business leader, management practitioner, public administrator, educator or institution builder, for his/her sustained individual contributions and achievements of high professional order and excellence. The Award will be declared by a jury comprising eminent persons.

The Award is given by the Honourable President of India, at Rashtrapati Bhawan, every year on October 1, the eve of the birth anniversary of Shri Lal Bahadur Shastri. The honour carries a Cash Award of Rs. Five lakh plus a citation and a plaque and the awardee is designated as Lal Bahadur Shastri Fellow.

EARLIER RECIPIENTS OF THE AWARD:

Smt. Aruna Roy, 2010
Shri Sunil Bharti Mittal, 2009
Dr. E. Sreedharan, 2008
Dr. M. S. Swaminathan, 2007
Dr. Naresh Trehan, 2006
Dr. C. P. Srivastava, 2005
Smt. Ela Ramesh Bhatt, 2004
Dr. R. A. Mashelkar, 2003
Shri N.R. Narayana Murthy, 2002
Shri Sam Pitroda, 2001 and
Prof. (Late) C. K. Prahlad, 2000

Nominations may be sent in confidence to the undersigned latest by March 31, 2011. Nomination form may be obtained from the Director, Lal Bahadur Shastri Institute of Management, Plot No. 11/7, Sector-11, Dwarka, New Delhi-110075 or downloaded from Website: www.lbsim.ac.in Tel.: 011-25307700 (100 Lines) Fax: 91-11- 25307799 E-mail: director@lbsim.ac.in

Chairman, LBSIM, Delhi

THE FIRST PLANNED TOWNSHIP IN RECENT YEARS IS COMING UP AT SHRISTINAGAR, 200 KM NORTH OF KOLKATA, NEAR ASANSOL

Ramamoorthy. "Usually you get a few days' notice about strikes, so they do not impact us badly." Others such as Wipro, Infosys and Tata Consultancy Services, too, have offices in Kolkata.

But the real growth story is 200 km north of Kolkata in the coal belt of Durgapur and Asansol. The first planned township in recent years is coming up at a rapid clip at Shristinagar, being developed by Bengal Shristi, a joint-venture between Shristi Developers and the West Bengal government. Spread over 100 acres, the development will have over 5,000 households and over a million square feet of commercial space. "We plan to get IT companies in smaller towns," says Abhishek Bhardwaj, Vice President, Marketing, Bengal Shristi. The first 500 families have moved in and the second outlet of value retailer Big Bazaar in Asansol is coming up. Prices are climbing, says Bhardwaj, with apartments going at ₹2,500 per sq. ft., up from around ₹1,000 to 1,200 per sq. ft. when the project started six years ago.

The reason for this demand? Massive investment projects in and around the area. A few kilometres away from Shristinagar is the Burnpur Steel Plant operated by Steel Authority of India Ltd, or SAIL. The plant, which dates back to the 1920s, is being supplemented with a new ₹15,000-crore plant. "This is the biggest project in SAIL's history," says a company executive. The construction has already added ₹500 to ₹600 crore to the local economy and the rich coal mines here are fuelling further development.

Bengal Aerotropolis, which has Singapore's Changi Airport as a 26 per cent partner, is building an airport and township between Durgapur and Asansol. "Can the state do more? Yes it can, but I believe we are getting there," says Subrata Paul, the venture's managing director. The state government plans an investment of over ₹10,000 crore in infrastructure. Other reforms, too, have been put on the fast track. For example, unbundling of the state electricity board into separate production and generation companies is in line with reforms elsewhere in India. For the financial year 2009-10, distribution utility West Bengal State Electricity Transmission Co. reported a net profit of ₹174.68 crore, its highest ever.

However, even as the state licks its infrastructure woes, it has another uphill battle: land for industry. Land acquisition wrangles have not spared even the state-owned electricity transmission company, which has sunk ₹300 crore in such projects. At Singur, a substation is ready, awaiting an incoming line. Ditto at Rajarhat. Both are hotbeds of Trinamool activism against land acquisition.

Trinamool's O'Brien feels such concerns are misplaced. "In 2006 the Trinamool said we would oppose the allotment of productive fertile land for industrial projects; our protests (at Singur) were in line with our policies," he says, adding there are 1.7 million acres of unproductive land in West Bengal available to industry.

Back in Kolkata, the city's elite come together for an evening at Tollygunge Club on its southern edge. The mood is pessimistic, though some think Bengal can make itself the education hub of eastern India. "We can become a hub for the north-east and other states," says a senior manager from a local public sector company. Some see hope in the Trinamool. "Banerjee will attract a lot of good people. This state needs a few years of good governance." That may be the litmus test for Banerjee, if she comes to power. For, without retaining its best and brightest, West Bengal risks becoming a shell state. ◆

ADDITIONAL REPORTING BY SOMNATH DASGUPTA

KOLKATA-BASED INDUSTRIALISTS SAY A PERIOD OF POLICY PARALYSIS HAS FOLLOWED THE LEFT'S DEBACLE IN THE 2009 LOK SABHA POLLS

MAMATA BANERJEE IS WIDELY TIPPED TO RIDE TO POWER IN THE COMING ASSEMBLY ELECTIONS IN MAY, ENDING 34 YEARS OF LEFT DOMINANCE

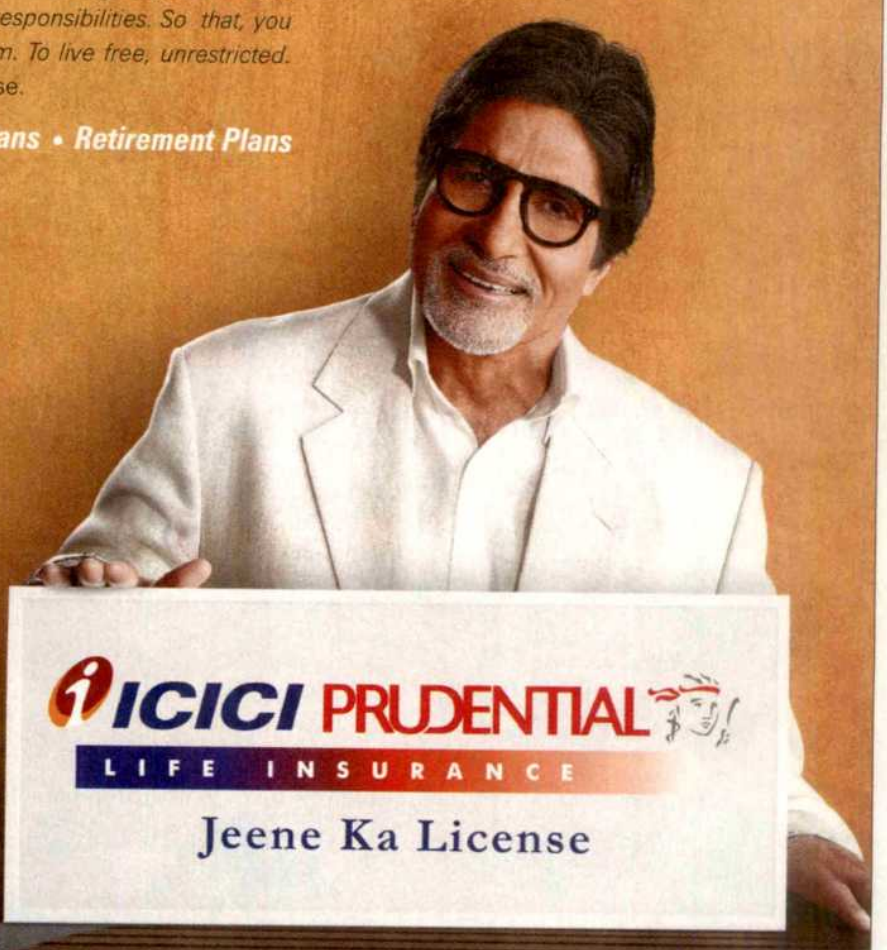
www.iciciprulife.com

APNE FUTURE KO,
APNE FAMILY KO,
SECURE KARO.
AUR BINA DARR,
BINA JHIJAK,
KHOOB JIYO.

ISSEY KEHTE HAIN
JEENE KA LICENSE.

ICICI Prudential Life Insurance brings to you solutions that help secure your responsibilities. So that, you have the license to dream. To live free, unrestricted.
You have Jeene Ka License.

Life Plans • Child Plans • Retirement Plans

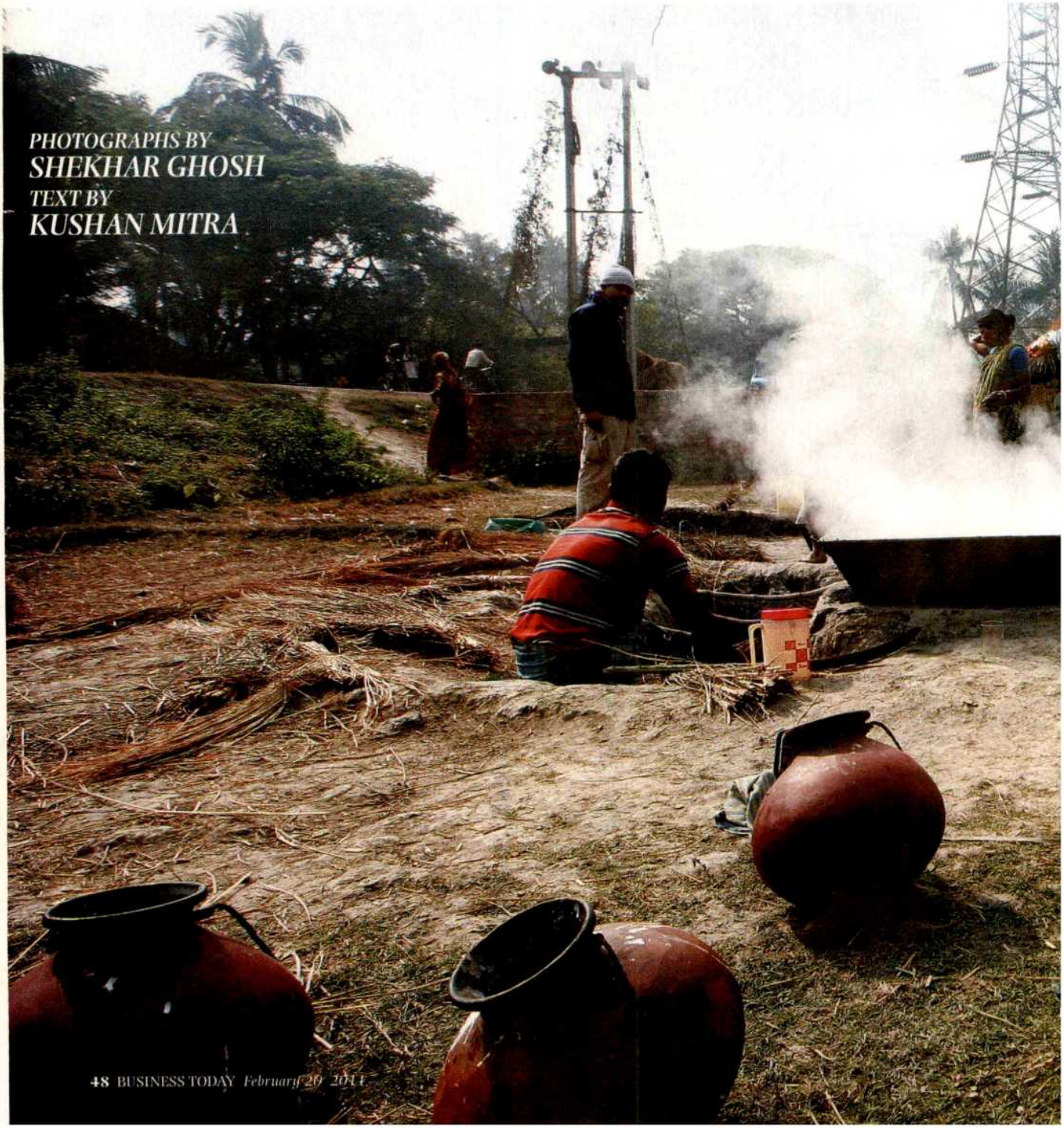


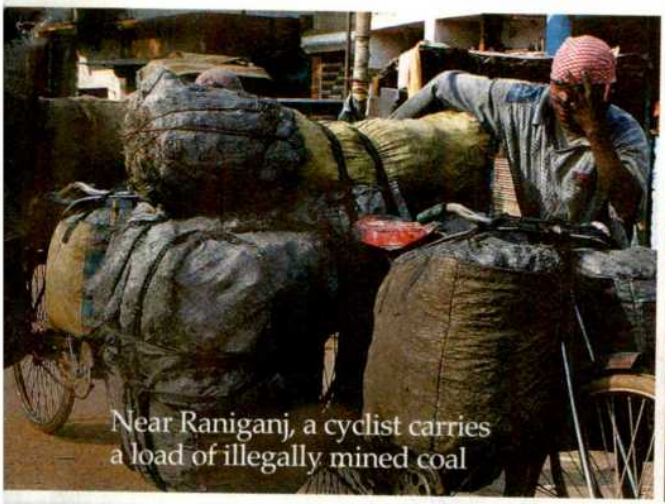
© 2011, ICICI Prudential Life Insurance Co. Ltd. Registered Address: - ICICI PruLife Tower, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400025. Reg No: - 105. Insurance is the subject matter of the solicitation. For more details on the risk factors, terms and conditions please read sales brochure carefully before concluding the sale. Advt. no.: P/II/987/2010-11

Oh! Bengal

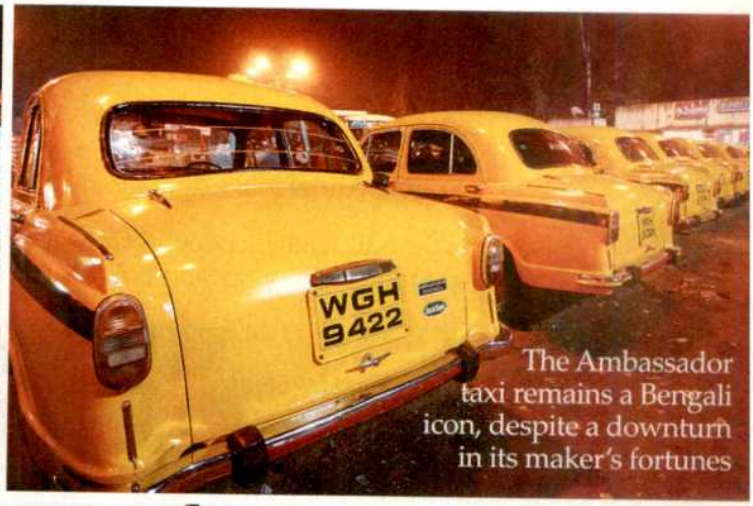
The winds of change might be blowing but some things remain the same in West Bengal

PHOTOGRAPHS BY
SHEKHAR GHOSH
TEXT BY
KUSHAN MITRA





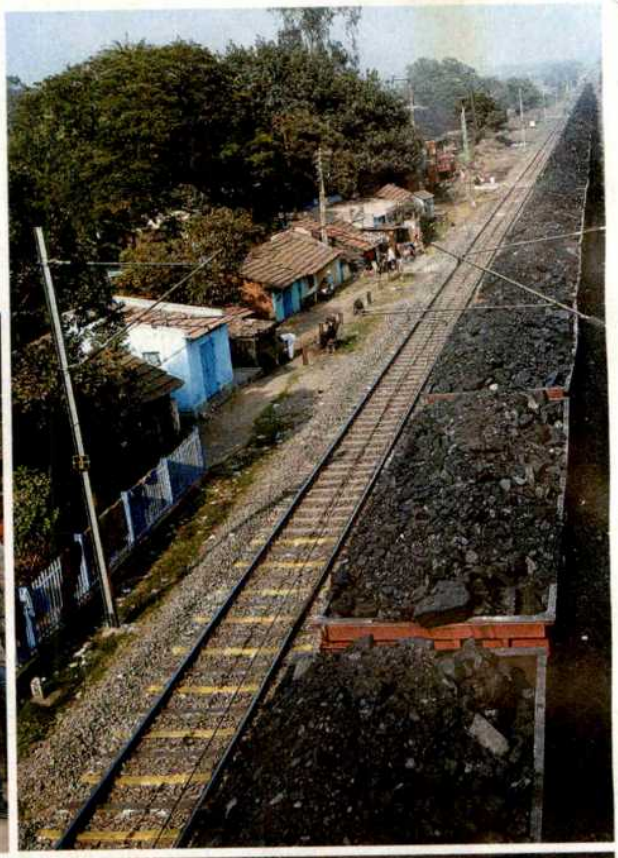
Near Raniganj, a cyclist carries a load of illegally mined coal



The Ambassador taxi remains a Bengali icon, despite a downturn in its maker's fortunes

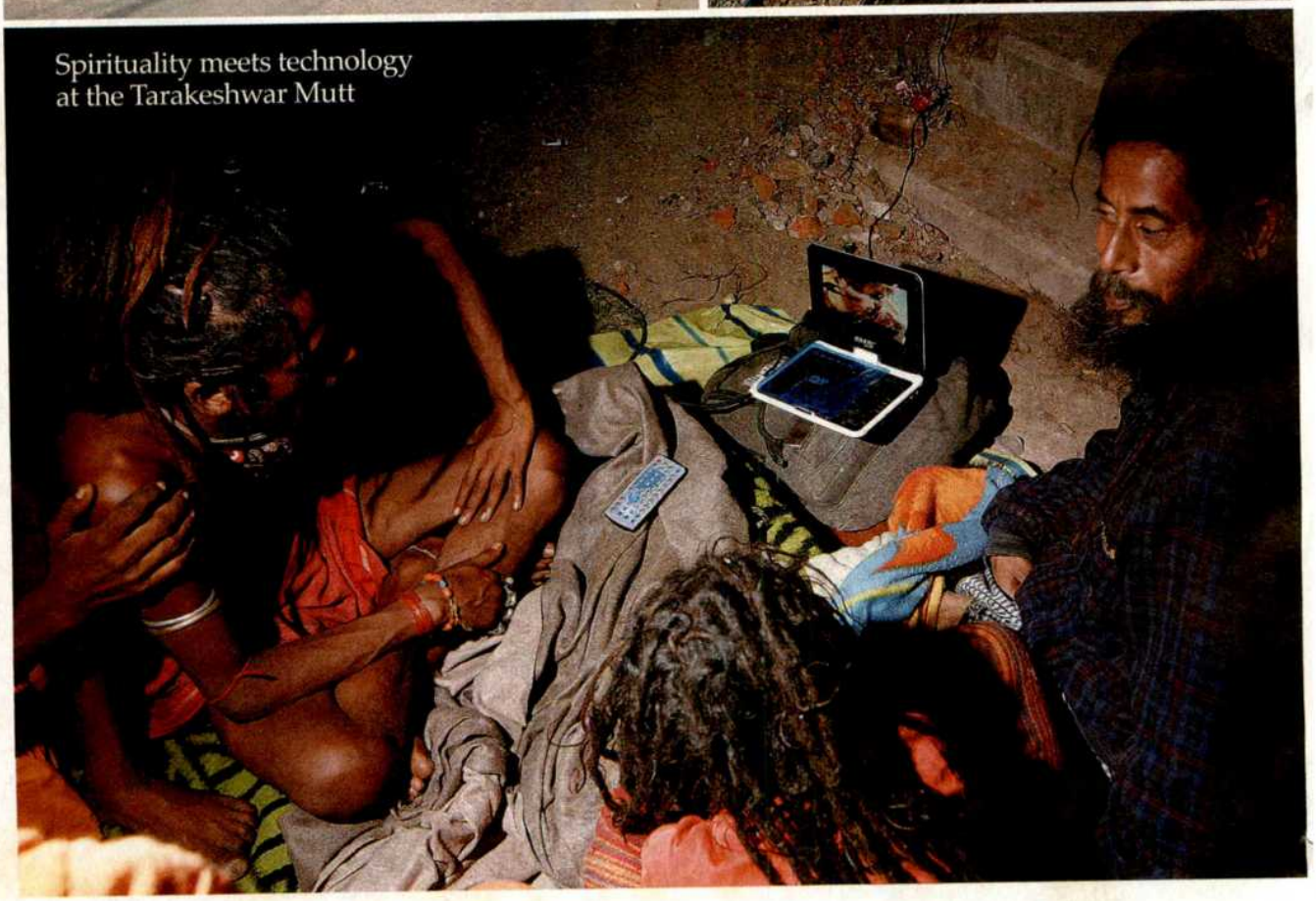
Agriculture dominates the local economy here in Sonarpur. Villagers make jaggery working 18-hour days to earn ₹5,000 a month

Coal powers the state. Here a train passes near Andal in Bardhaman district



At the Salt Lake Electronics Complex, information technology and politics mix

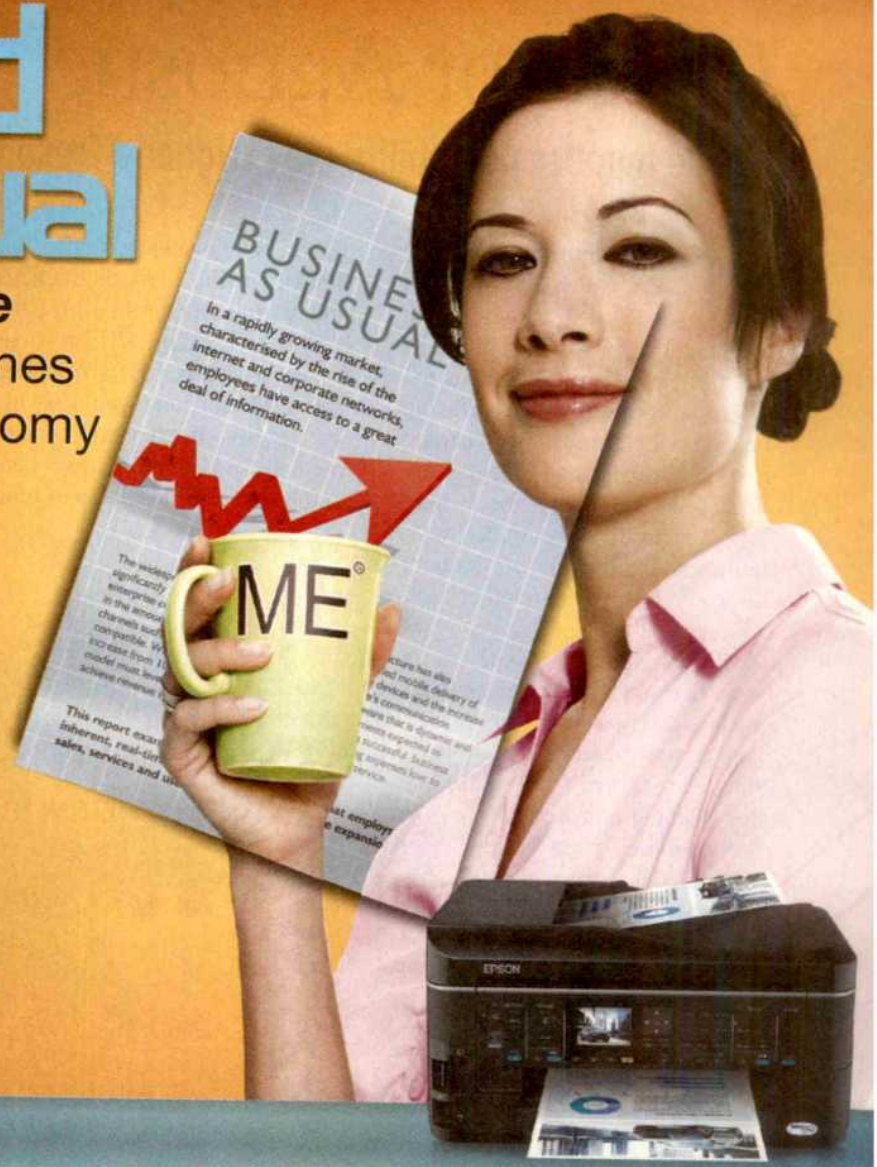
Spirituality meets technology at the Tarakeshwar Mutt



EPSON
EXCEED YOUR VISION

See Beyond the Usual

with new ***ME Office*** Inkjets and All-in-Ones that maximise economy & office efficiency



MICRO PIEZO™

thINK:
incredible prints, inexpensive inks

See Epson ME Office / Business Inkjet Printers & All-in-Ones that are efficient and feature-rich, and give you high quality, high volume black prints from as low as 50 paise per page.

A3+

Epson Stylus™ Office T1100

Print speed of up to 30 ppm; Flexible print sizes from 4R to A3+ documents; Water, fade & smudge resistant, highlighter friendly prints

MRP: ₹14,999/-

WiFi

Print | Scan | Copy | Fax

Epson ME™ OFFICE 960FWD

Laser print quality All-in-One; Smart duplex printing; Print speed of up to 38 ppm; WiFi/Ethernet; Low cost, water, fade & smudge resistant prints

MRP: ₹14,999/-

Epson Business Inkjet B-510DN

Print speed of up to 38 ppm; Built-in networking; Monthly print volume - 20,000 pages; Duplex printing; Water, fade & smudge resistant prints; 5760 dpi resolution; 50p/black print

MRP: ₹22,999/-

Features vary from model to model. Check product brochure for exact features.

EPSON SERVICE

Contact: 099866 60251(9AM - 6PM) (Mon - Fri) or email: think@eid.epson.co.in
Epson Helpline: For product info, service or to order a cartridge - 1800 425 0011
For service - 1860 3000 1600 (9AM - 6PM) (Mon - Sat) **www.epson.co.in**

SMS EPSON TO 58558

Operator Agnostic

Mobile number portability may trigger a fresh tariff war. BY SUNNY SEN

Mobile Number Portability, or MNP, which allows you to change the operator while retaining the cell number, might be the next big worry for Indian telecom players already hit by growing operational expenses and declining margins. As customer helplines are flooded with requests for switching over to rival operators, MNP, launched nationwide on January 20, could just trigger another tariff war, say analysts.

Bharat Sanchar Nigam Ltd, or BSNL, has already started advertising one-paisa-per-second tariff for both 2G and 3G services to avoid subscriber churn. Freebies like free talktime and free BlackBerry services might be just around the corner. "You keep the same number but start getting up to 60 per cent discounts on all your calls — that is a powerful proposition," says Rajiv Bawa, Executive Vice-president, Corporate Affairs, Uninor. Its dynamic pricing model offers customers different tariff plans at different hours, which, the company feels, will attract pre-paid users. New offers will come slowly as the Department of Telecommunications has barred operators from giving special discounts to new customers.

The tariff war, third in a row, comes barely a year and a half after Tata DOCOMO launched its famous "one paisa per second call" offer in September 2009, compelling bigger players such as Bharti Airtel and Reliance Communications, and the rest, to respond.

But this time the turf war may not be totally about tariffs. Take Shaakun Sethi, a social marketer, who pays an average monthly bill of ₹1,500 to Vodafone. "I don't trust the new players since I have not used their services. I don't want to switch over just because they are cheaper," says Sethi. So is it more about quality this time? Ajit Joshi, CEO of Infiniti Retail, which runs Croma retail stores, plans to switch from Loop Telecom to Tata DOCOMO. "I want a better network. I am also an iPad user and it makes sense to switch to a 3G player," says Joshi, who pays an average of ₹2,500 every month.

Analysts believe the incumbents, which already have a pan-India coverage, won't be affected by MNP much and the greenfield players will take the hit. The impact is difficult to measure but is expected to be anywhere between 50 and 100 basis points on profitability. "Earnings before interest, taxes, depreciation and amortisation, or EBITDA, will be hit in the short term because of advertising and marketing exercises," says Archit Singhal, analyst at brokerage firm Jaypee Capital. Operational expenses will go up as companies focus on better customer support.

According to Informate Mobile Intelligence, a research agency, the expected churn in pre-paid category will be 17 per cent and close to 19 per cent in post-paid. "The post-paid customer is a gold mine and operators will try to retain them," says Neeraj Jain, Director, transaction services, at KPMG.

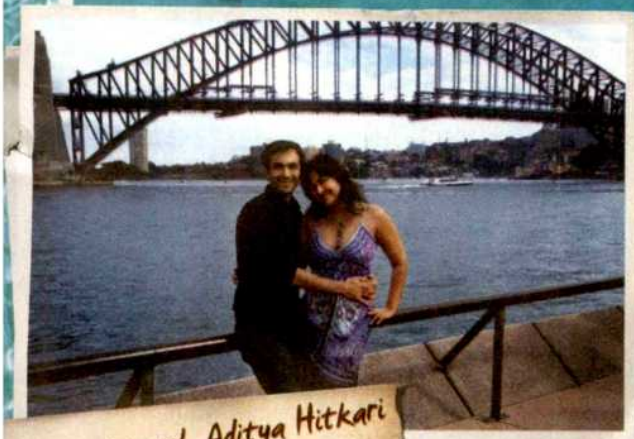
The telecom sector witnessed its first price war in 2003 when CDMA players entered the fray with lower tariffs. As the GSM lobby also went on a similar offensive, the revenue implications were easier to absorb given the sector's nascent stage and opportunity for growth. It's not the same scenario any longer in a country with over 700 million mobile users and 14 operators now. Like 2009, another tariff war could see revenues taking a big hit.

To avoid a repeat of 2009, the sector might see a few fresh business models. Broadband wireless access and 3G could become the new revenue earners and data the new battlefield. MNP will play a big role depending on who has a bigger base of post-paid customers with high average revenue per user. The profits lie there. ◆

ILLUSTRATION BY SANTOSH

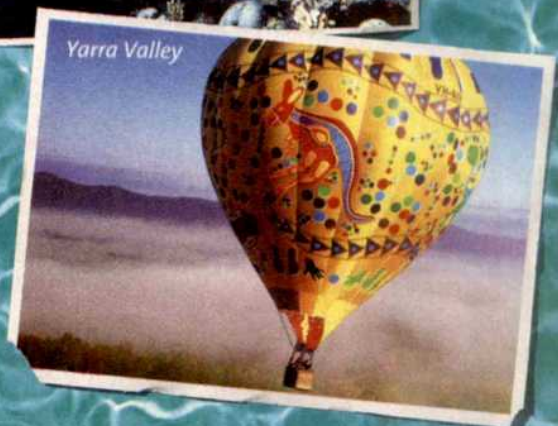
Most couples discover a place on their honeymoon. We discovered each other.

Great Barrier Reef



Divya Palat and Aditya Hitkari
Theatre Personalities

Port Douglas



Yarra Valley

When Aditya and I left for our honeymoon, little did we know that among the herds of Kangaroos, amidst the deep blue waters of the Great Barrier Reef, in the quiet retreat of Gold Coast's beaches, in the warmth of the vineyards, tucked away in Sydney's Darling Harbour, and in every part of Australia, were bits of ourselves, waiting to be discovered and loved.

Australia.com

STICK OVER CARROT

Chairman Azim Premji gets cracking as his leaders miss the mark – for the fourth time. BY RAHUL SACHITANAND

AFP

In early December last year, Wipro veterans of two decades Girish Paranjpe and Suresh Vaswani, then co-chief executives of the firm's tech business, sensed their unusual partnership was in trouble. Azim Premji, the firm's 65-year-old chairman had made public his displeasure at the underperformance of his information technology business and wanted a quick turnaround. Wipro junked the joint CEO model (and Paranjpe and Vaswani) in favour of a single CEO in T.K. Kurien on January 22.

Since the duo took over as joint CEOs in April 2008, in an arrangement unique in the Indian IT industry, Wipro Technologies, the company's outsourcing business, had struggled to keep pace with its peers. Bigger rivals Tata Consultancy Services and Infosys Technologies lengthened their lead over the No. 3 player and Cognizant Technology Solutions, a late entrant into the game, was fast catching up. Analysts expect Wipro to drop to No. 4 in the next two or three quarters at most.

"Internally and externally people were taken by surprise," says Pratik Kumar, HR chief for Wipro of the change. "As we discussed this internally, at the board level, we decided we needed a new structure to be more nimble and agile." Kumar says new CEO Kurien, a Wipro veteran of ten years, was the only internal candidate considered.

Paranjpe and Vaswani did not foresee the economic turnaround, which its rivals were able to exploit. TCS hired 20,000-odd people in the last quarter, while Wipro's workforce

Former senior managers say Premji does not get swayed by anything when it comes to performance

Good investment advice does wonders for your money.

Imagine what award-winning advice can do!

Best Performing National Financial Advisor Bank (for the second time)
- UTI MF & CNBC TV18 Financial Advisor Awards 2010

EUROMONEY Private Banking Survey 2010

'Best Private Bank in India'

Global Private Banking Awards 2010 WINNER

Best Private Bank in India
Awarded by 'The Banker' and 'Professional Wealth Management' (PWM) magazine
- Financial Times publications

When you think of investments, think HDFC Bank.

EuroRSCG/HDFC Bank/11

efit from our award-winning advice,
speak to our branch staff
on to www.hdfcbank.com

HDFC BANK

We understand your world

What Wipro's former CEOs are doing

Ashok Narasimhan

WHY HE LEFT: Some say Premji backed software rather than hardware, which was Narasimhan's bet, leading to a fallout

WHAT HE IS NOW DOING: Founded Runa, a company which helps online merchants improve realisations

Ashok Soota

WHY HE LEFT: To found his own start-up MindTree. Took a few Wipro colleagues with him, too

WHAT HE IS NOW DOING: Trying to reignite its growth. Has handed over day-to-day operations, though

Vivek Paul

WHY HE LEFT: Failed to reach self-set revenue target. High-profile personality overshadowed Premji

WHAT HE IS NOW DOING: Started KineticGlue, which provides social media platforms to enterprises

Girish Paranjpe and Suresh Vaswani

WHY THEY LEFT: Failed to drive growth, with larger peers easily outgrowing Wipro and upstart Cognizant snapping at its heels. Did not read the economic upturn correctly

WHAT THEY ARE NOW DOING: Both are expected to get CXO level appointments in the outsourcing market. Fast-expanding multinationals may be interested in hiring either

grew by barely 3,000. Wipro's inability to crack the financial services business — a mainstay for its large rivals — has also been a sore point.

The two-CEO model has rarely worked globally but Wipro watchers say this could also be just another instance of Premji losing his patience with underperformers. Earlier, Premji had clashed with high-profile Vivek Paul, who was widely off the mark in his bold plan of taking Wipro to $4 billion in revenues by 2004. In fact, the firm only got halfway there. Others such as Anurag Behar, the former head of Wipro's infrastructure engineering business, were shunted out to the Azim Premji Foundation, his philanthropy fund.

Chief Financial Officer Suresh Senapathy, too, was considered for the sack, say industry insiders, but this is strongly denied by Kumar. "The chairman doesn't decide... the board took a final call," says Kumar, referring to Kurien's appointment.

Former senior managers say Premji does not get swayed by anything when it comes to performance. "Growth is paramount for Premji and he's not afraid to lose high-profile names or loyalists when they lose their focus," says one former senior manager, who quit soon after the joint CEO model was unveiled.

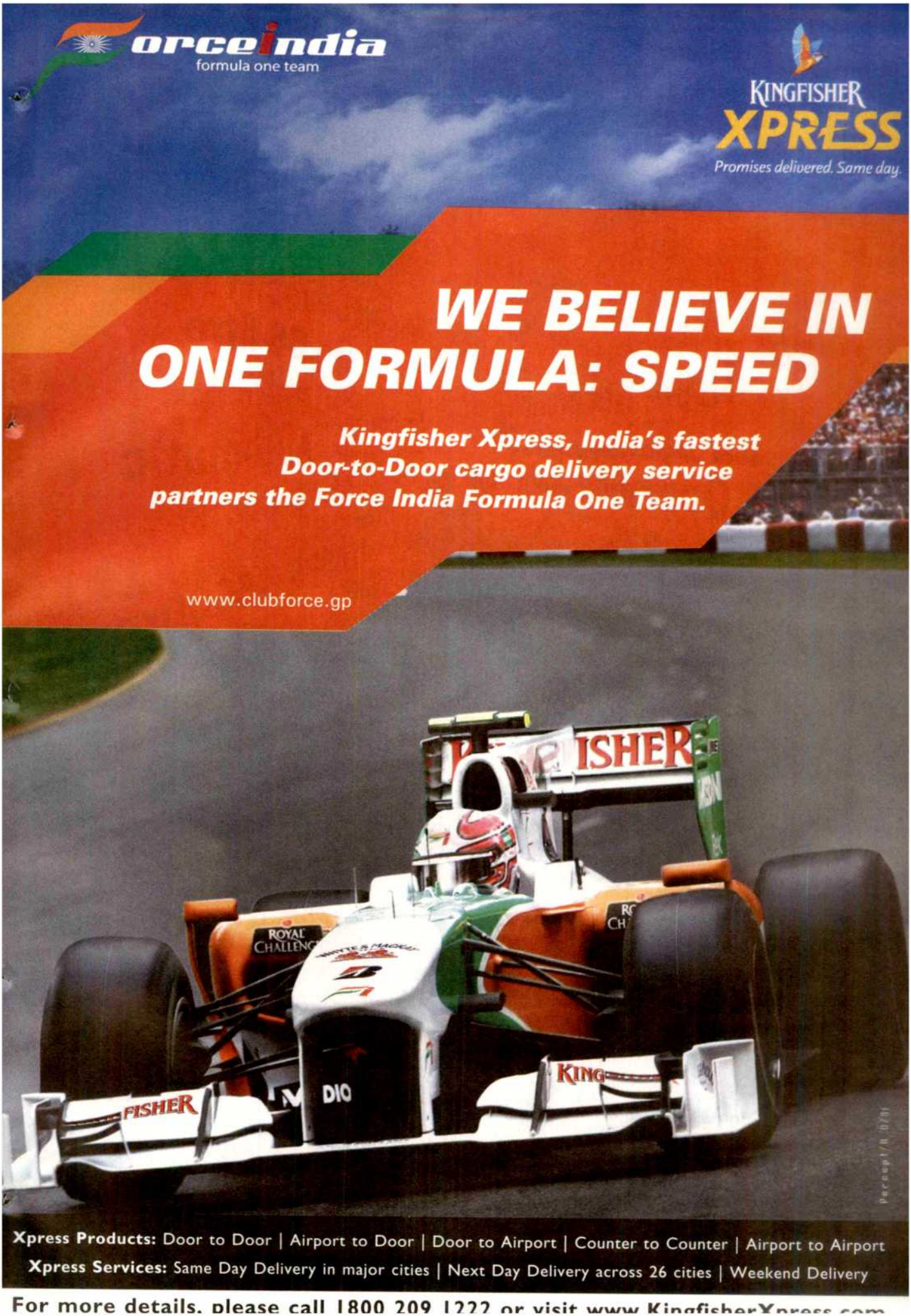
Neither does Premji hesitate to get his hands dirty, as he did when Paul quit. He put together a complex organisational matrix, with several senior managers reporting directly to him. The man himself took a more central role in leadership back then and he may reprise this, as Kurien takes the helm.

Premji's style of management is different from other top-tier firms, where chairmen keep away from day-to-day management. For example, at HCL Technologies, Founder and Chairman Shiv Nadar is practically invisible, leaving the spotlight to CEO Vineet Nayyar.

At TCS, leadership transition is a gradual process, with current CEO Natarajan Chandrasekaran spending years under predecessor S. Ramadorai before being promoted in late 2009. Infosys believes in predictability in its corner suite as much as it does with its revenues. S. Gopalakrishnan, its current CEO is widely expected to be succeeded by co-founder and COO S.D. Shibulal. "We have been a founders-driven company, but we also have a strong leadership pool ... we think we have 100-odd executives who could be CEOs of mid-tier companies," says T.V. Mohandas Pai, a board member who runs HR and administration.

Some observers of the soaps to software firm say Premji is clearing the decks for his elder son Rishad, now Chief Strategy Officer. He is trying to "remove the deadwood and bring in fresh legs" is how one senior manager put it. HR chief Kumar hotly contends this angle. "He has zero role in the whole thing," he retorts. "Rishad will be measured like any other senior manager at Wipro."

Having taken the decisive call, Premji will hope a single person in charge sparks Wipro's revival. ◆


orceindia
formula one team
KINGFISHER
XPRESS
Promises delivered. Same day.
WE BELIEVE IN
ONE FORMULA: SPEED
Kingfisher Xpress, India's fastest
Door-to-Door cargo delivery service
partners the Force India Formula One Team.
www.clubforce.gp
ISHER
ROYAL
CHALLENG
KING
FISHER
DIO
Xpress Products: Door to Door | Airport to Door | Door to Airport | Counter to Counter | Airport to Airport
Xpress Services: Same Day Delivery in major cities | Next Day Delivery across 26 cities | Weekend Delivery
For more details, please call 1800 209 1222 or visit www.KingfisherXpress.com

Be it a business decision or deciding on a car, facts and figures make a world of difference.

As a business leader, you take informed decisions only after looking at the situation from every possible angle. Facts and figures are what help you make these sound judgements. Shouldn't it be the same when it comes to an important decision like buying a car? At CarWale, we understand the importance of providing you with the right information to help you zero in on your dream car.

Log on to **www.carwale.com** now and get started.

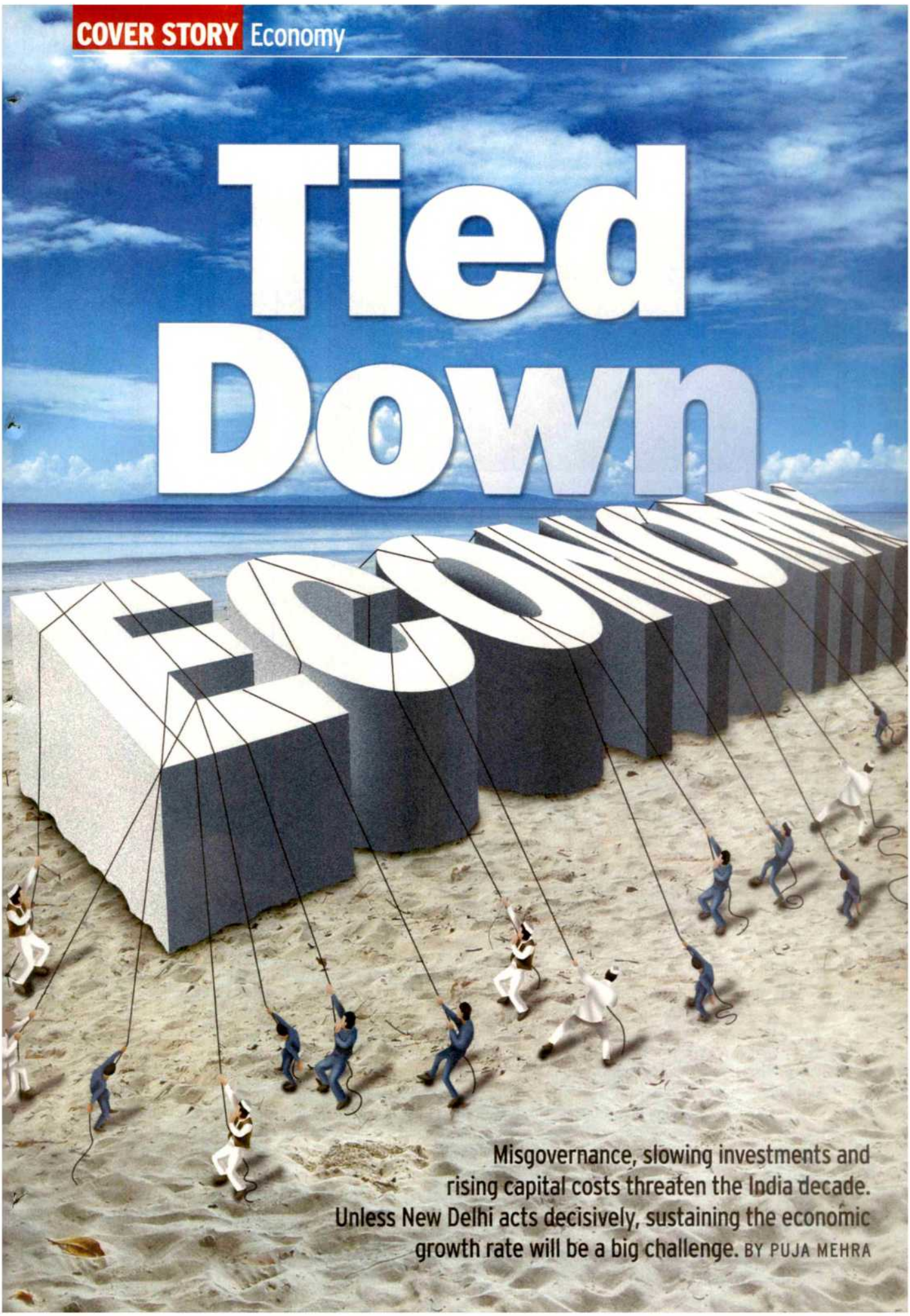
- 2.5 MN VISITS EACH MONTH
- 500,000+ PAGES OF RESEARCH
- ON-ROAD PRICES FOR 200 CITIES AND TOWNS
- USED CAR PRICE GUIDE
- OWNER AND EXPERT REVIEWS

www.carwale.com

CarWale®

Join us on **www.facebook.com/carwale** | Follow us on **www.twitter.com/carwale** | CarWale is a registed trademark of Automotive Exchange Pvt. Ltd.

Tied Down



Misgovernance, slowing investments and rising capital costs threaten the India decade. Unless New Delhi acts decisively, sustaining the economic growth rate will be a big challenge. BY PUJA MEHRA

1 Industrial park at Surat, Gujarat: Industry hurts from land paucity

2 NREGA work at Lalitpur, UP: Higher rural incomes fuel demand

3 Container trucks at JNPT port: Infrastructure chokes business

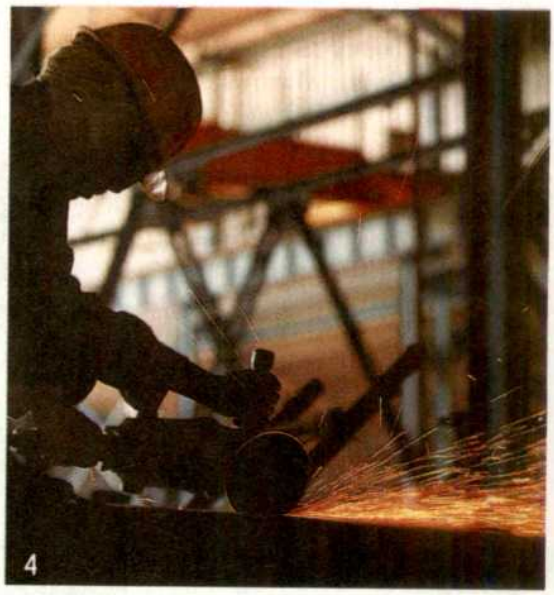
4 An Uttarakhand shopfloor: Rising worker wages dent profits

When you have spent decades in the truck-making business, you have a sense of what is coming around the corner. For that reason alone perhaps it is instructive to listen to Ashok Leyland Managing Director R. Seshasayee's troubles in running a new factory in Pantnagar, Uttarakhand.

Set up around 11 months ago, the commercial vehicle maker had spent close to ₹1,300 crore on the latest technology and a world-class industrial architecture at a plant sprawled over nearly 200 acres and of 75,000 vehicles capacity a year. Pride-swollen chests gave way to severe headaches by December, though.

The roads connecting the plant were choked. "We had ramped up our production but soon faced serious challenges. We could not get our supplies in nor could we move out the fully built chassis," says Seshasayee, which resulted in "severe delays" at the factory. Other major investors in Pantnagar, a new hub of manufacturing in north India, face this same problem today, adds the Ashok Leyland MD, who in 2006-07 was president of Confederation of Indian Industry, or CII, the country's most powerful business lobby.

Badly stretched infrastructure is coming in the way of the barrelling Indian economy. India's busiest port, run by the Jawaharlal Nehru Port

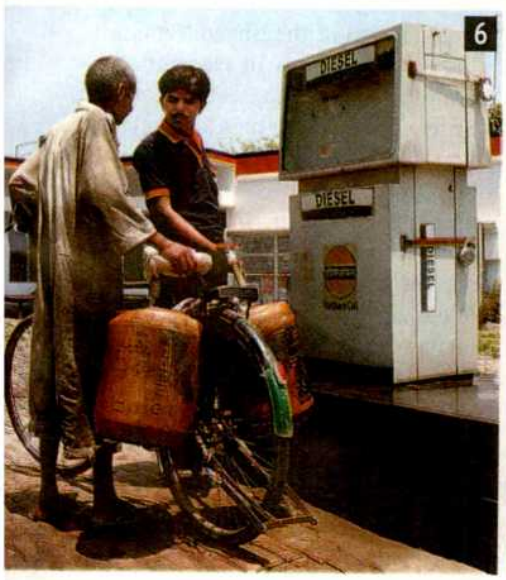


5 Construction at Gurgaon: Realty firms face a credit squeeze

6 Tanking up on a UP highway: Fiscal deficits mount with fuel subsidy

7 At a Faridabad farm with a buffalo: Milk prices rose 50% in a year

8 A tractor plant in Greater Noida: Factory output is moderating

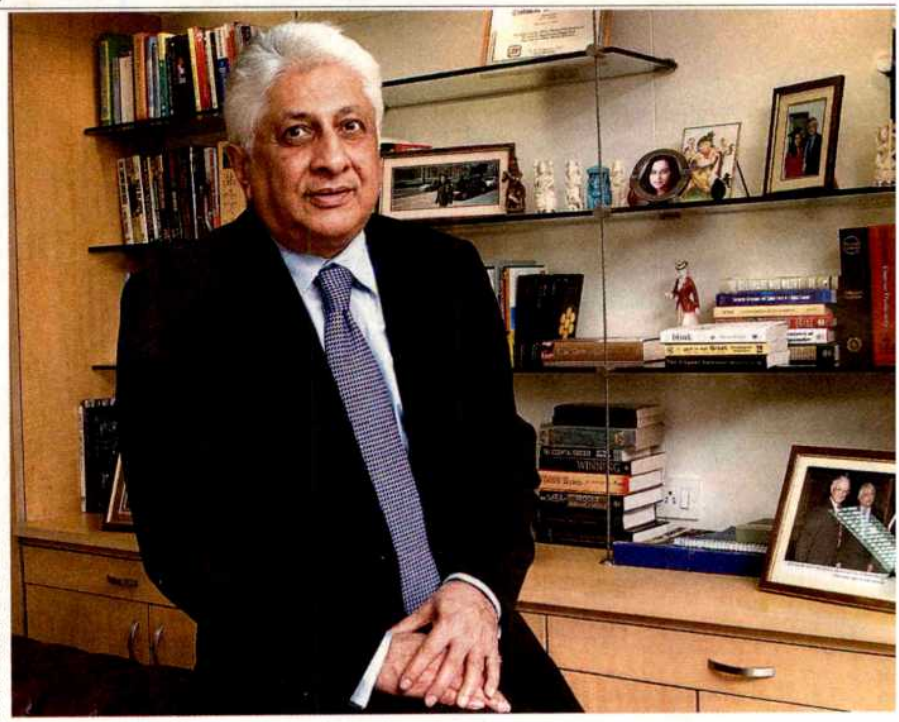


PHOTOGRAPHS BY VIVAN MEHRA, BHASKAR PAUL, SHEKHAR GHOSH AND LALIT RANA

Trust, or JNPT, near Mumbai, presents another sorry state. On an average, it takes less than a day to unload a ship — a sea change in turnaround time from a decade ago — but takes three days for a container to move out of the port. Add another four to five days for transportation to, say, a Gurgaon factory, by rail lines. In other words, a container from Singapore can reach the JNPT port in as little as four days but takes more than a week from there to reach Gurgaon.

Such problems compound all over India as a government that performed with aplomb after the global financial crisis appears to have buried its head in the sand now. Even Reliance Industries, India's biggest private company by revenues, finds approvals from the government delayed — something that is rare for the behemoth. "You will appreciate that such delays impact production... schedules for exploration, appraisal and development programmes," Executive Director P.M.S. Prasad recently wrote to Oil Secretary S. Sundareshan on clearances relating to the company's D6 gas field in the KG Basin. "Normally, the work programme and budget for a year is approved at the beginning of the financial year but it has not been approved yet even though only two months are left in the financial year."

All these troubles are yet to add up to a trend reflecting in the head-



NISHIKANT GAMRE

line numbers, but the Indian economy looks like it is headed into rough waters, if not already there. Moderation is already visible in the growth of industrial output, which hit an 18-month low of 2.7 per cent in November, the latest period for which data is available. The pressures of runaway food inflation are fast spilling over into the manufacturing sector. Input costs are rising. The sole weapon in use in the fight against inflation — quite inappropriate in the current situation of supply bottlenecks — remains the interest rate hikes by the Reserve Bank of India, or RBI, which in turn are resulting in a rise in the costs of borrowing.

To be sure, there are few signs of domestic demand slowing in reaction to these rate hikes — resulting in housing and consumer finance rates rising by half to a full percentage point in the recent months — but many worry that a slump in purchases is just around the corner. "The real worry is from some of the economic indicators this year, such as inflation and the monetary tightening by RBI," explains Y.V. Verma, Chief Operating Officer at LG Electronics and President of Consumer Electronics & Appliances Manufacturers Association.

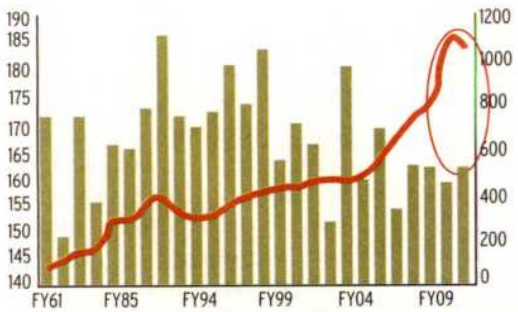
There are also new risks looming large from global developments that the government has no control over: rising commodity prices, especially of food and crude oil, for instance. Global oil prices are ruling above $90 per barrel and will only march northwards as the recovery in advanced economies strengthens. The government's fuel and food subsidy bill is mounting. The Food Price Index of the Food and Agriculture Organization of the United Nations hit a record high in December. Countries like China, Vietnam and Brazil all face double-digit food inflation. India is not a major food importer yet, but high global prices can affect price sentiment here. "International food prices have surged sharply this year and the floods in Australia are likely to exert an upward pressure on grain prices," says M. Govinda Rao, Director,

The governance deficit has jolted the macro economy

PROBLEM 1

PERSISTENTLY HIGH INFLATION

Government failure to bridge the gap between food availability and incomes is pushing prices up

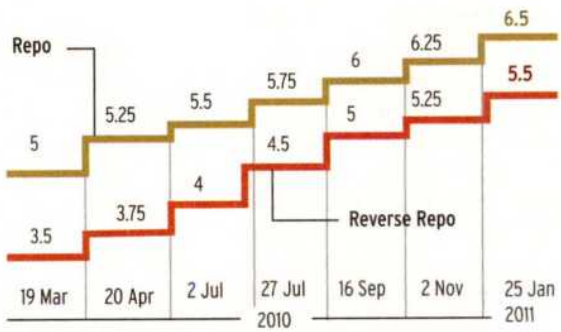


Bars show per capita net availability of food grains in kgs per annum (LHS) and line graph shows GDP per capita in $ (RHS)
Source: Ministry of Agriculture, CSO, CEIC

PROBLEM 2

RISING INTEREST RATES

Government failure to control inflation leaves it to the RBI to attack with interest rates hikes, increasing cost of borrowing



Figures show reverse repo and repo rates in % as hiked by RBI

AJIT GULABCHAND
Chairman and Managing Director, HCC

"We are losing ₹2 crore a day due to the abrupt closure slapped by the Ministry of Enviroment & Forests on our Lavasa project. India should have environment standards in place rather than arbitrary action against projects."

IMPACT: A McKinsey study estimates that land acquisition and environment clearances-related time/cost over-runs for projects average ~25%.

National Institute of Public Finance and Policy, a New Delhi-based think tank. "Increasing commodity prices are a major threat to growth."

In short, the overall outlook for the economy is less optimistic than it was just three months ago. The central bank, known to choose its words carefully, flagged the heightened risks in its latest policy statement on January 25. It expects the rate of growth to slow down. It will announce by how much on May 2, 2011. (See interview '*The Growth Rate May Come Down*'). "The combined risks from inflation, the current account deficit and fiscal situation contribute to an increase in uncertainty about economic stability that consumers and investors will have to deal with," the RBI warned. "To the extent that this deters consumption and investment decisions, growth may be impacted... Slower growth ... can also have a significant impact on capital inflows, asset prices and fiscal consolidation," it said.

It worries A. Subba Rao, Group Chief Financial Officer, GMR Group, that there is no effort from the government to trigger growth. "Inflow of capital is going to be scarce. Capex will go down and the negative sentiments will affect consumption too. Corporates will find it difficult to raise capital this year. Such a situation will last for the whole of 2011-12," he fears. That could make for a weak footing to start the Twelfth Five Year Plan, 2013-17, on — a Plan that will count on half of the ₹40-trillion total investments in the period to come from the private sector.

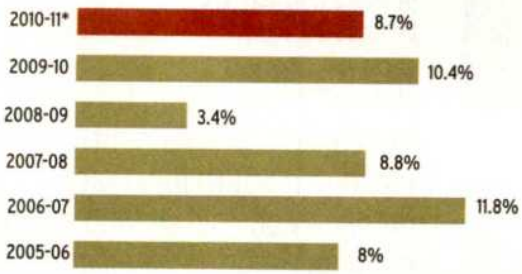
Subba Rao's prediction of weak capital expenditure in the next fiscal year stems from the seven interest rate hikes by the RBI over the past 12 months. The latest increase of 25 basis points in the rate at which the central bank finances banks had the CII crying foul. "RBI is setting the stage for a series of rate hikes that will have a negative impact on the investment momentum," Director General Chandrajit Banerjee reacted in an unusually sharply worded statement, referring to the slowdown in investments.

If GMR, CII and others in corporate India are so down on India, how come the government is unruffled? New Delhi, panned recently by leading businessmen and lawyers for what they called "a governance deficit", is optimistic that the growth story is intact. Part of this is because the government is faced with — or chooses to deal with — data that comes with a lag of six weeks to three months. If it looked around for some forward-looking cues, it might not be so comfortable. The latest quarterly industrial outlook survey conducted by the RBI in October-December indicates a marginal moderation in overall business expectations for the January-March quarter. HSBC Purchasing Managers' Index, too, shows some moderation in the pace of manufacturing sector expansion

PROBLEM 3

SLOWER GROWTH

High borrowing costs and worsening investor sentiment have decelerated rate of growth of industrial output

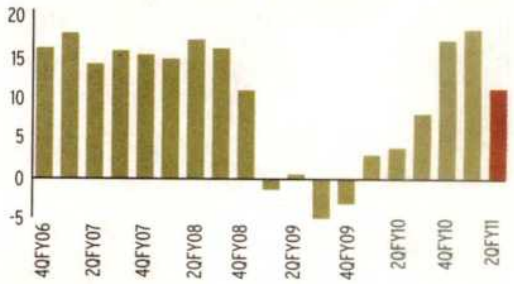


Bars show annual average rate of growth of industrial output
Source: Indicus Analytics, Sumita Kale and Laveesh Bhandari, 2010-11
*Forecast

PROBLEM 4

REFORM STAGNATION

Government failure to fix its land acquisition policy and implement projects in time has hurt investments — the main driver of growth



Bars show year on year % change in gross capital formation
Source: CSO, CIRA

in December. And, the Indian equity markets have shed 10.5 per cent in value in January.

Ahead of a year with five state elections (see *It's The Elections, Stupid*), when Finance Minister Pranab Mukherjee presents the 2011-12 Union Budget in Parliament on February 28, there will be few signs that a robust economy is turning. He is likely to be within the 5.5 per cent fiscal deficit target he had set for the government. But, as the Economic Advisory Council to the Prime Minister and the RBI have warned, the deficit target will be met purely thanks to non-permanent sources of revenue and without any expenditure reform. For 2010-11, Mukherjee will also be helped by a sharper-than-expected rebound in agriculture from a bad year — statisticians call it the 'base effect' — and consumption demand that will likely buoy the rate of economic growth for 2010-11 to the projected 8.5 per cent or close to it.

But the real worry is that the industrial and services sectors have performed below expectations and may not look up unless there are strong positive signals. "The threat (of a slowdown) is real. The existing momentum could lose steam quickly," says Ajit Ranade, Chief Economist, Aditya Birla Group. "Steep hikes in interest rates now could spook growth more than inflation as the time to be proactive is past." Foreign direct investment is down 27 per cent to $19 billion in 2010 while rivals such as China have increased their inflows above $100 billion.

The spotlight of expectations then shifts firmly to New Delhi. If the Congress-led United Progressive Alliance, or UPA, government does get its act together, the outlook could recover as quickly as it worsened. If that happens, it could make for a return to the pre-global financial crisis rate of growth as investors begin to resume funding of capacity expansions — which is also the prescribed antidote to inflation. Prime Minister Manmohan Singh enjoys a hard-to-match reputation with investors. Even the slightest push from Singh to the Cabinet could improve the investment sentiment.

But Singh is showing no signs of emerging from the stupor the 2G spectrum scandal and the Andimuthu Raja episode cast him into last year. Analysts point out to a telltale sign in the mid-January Cabinet reshuffle: Singh did not drop the poor performers.

In a world run by realpolitik, Cabinet colleagues and key allies like Agriculture Minister Sharad Pawar are clearly untouchable despite repeatedly not reading inflationary signals right or taking steps beyond Band-Aid fixes like export curbs. Deeper supply chain and distribution bottlenecks have just not been addressed. Cracks in the Cabinet under a leader perceived as not decisive and strong came out in the open when Commerce and Industry Minister Anand Sharma, worried about the impact of the rate hikes on industrial growth, wrote to Mukherjee a couple of weeks ago. "The high inflation in primary articles, particularly vegetables is more on account of supply-side constraints and monetary policy may not be the most suitable intervention to deal with the situation," he argued. Mukherjee did not reply.

Little is coming by way of signals from the government on its strategy on the economy. Mukherjee held two press conferences in the last two weeks of January but said precious little. Two big questions loom before

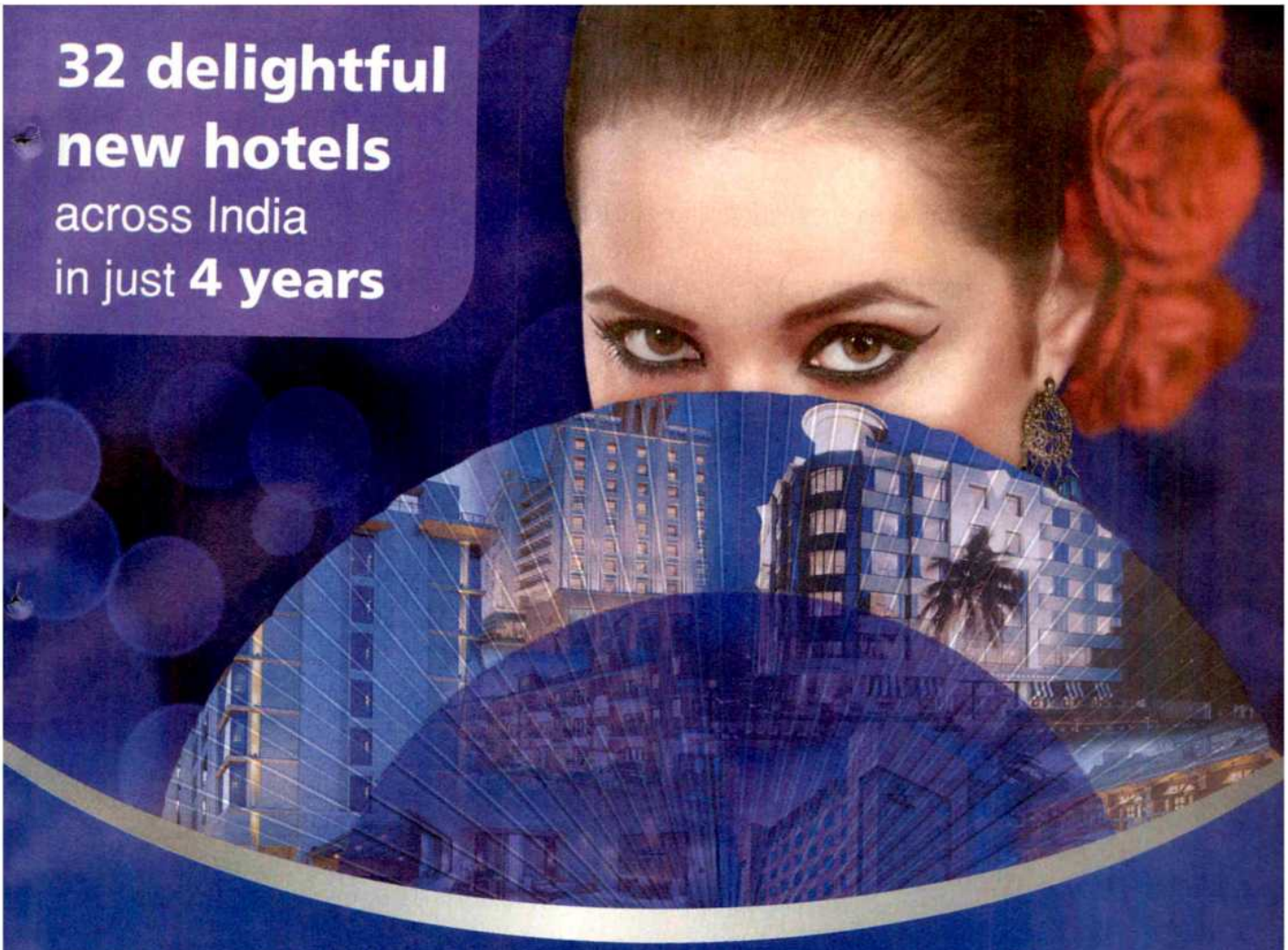
G. KESHAV RAJ

A V DHARMAKRISHNAN
ED (Finance), Madras Cements

"Coal prices have more than doubled in two years to $140 per tonne and power tariff has risen by 10 per cent, besides interest rate hikes."

IMPACT: In addition to increased costs, cement makers in South India face demand contraction and a glut in manufacturing capacity

32 delightful new hotels across India in just 4 years



SAROVAR HOTELS & RESORTS

Come discover the signature hospitality experience with one of India's fastest growing hotel chains

In just a few years, Sarovar Hotels & Resorts have set up over 54 hotels, across 39 destinations all over India. A pioneer in turnkey hotel management and value-enhanced hospitality, the Sarovar chain is today expanding at an accelerated pace, reaching out to delight customers in a unique way across more and more destinations.

SAROVAR PREMIERE

SAROVAR PORTICO

Kometel

54 Hotels & Resorts

39 Destinations Across India

25 New Hotels Opening Soon

SAROVAR
HOTELS & RESORTS

SAROVAR HOTELS PVT. LTD.
Mumbai: (022) 6156 5757 New Delhi: (011) 2638 3851-55

www.sarovarhotels.com Toll Free Reservations: 1 800 111 222 sms SAR to 56677

enzcomm.com

Economic Outlook

Economists rate the UPA government's performance and forecast the rate of growth and inflation

	THREATS TO GROWTH	EXAMPLES OF GOVERNANCE DEFICIT	RATING ON INFLATION
ASHIMA GOYAL Professor, Indira Gandhi Institute for Development Research	**Governance deficit, global commodity prices**	Little decision making, reform stagnation, unmet infrastructure targets, corruption	2/5
BIBEK DEBROY Professor, Centre for Policy Research	**Reform stagnation, rising borrowing costs**	Reform stagnation, high food inflation, unbudgeted public expenditure, corruption	1/5
AJIT RANADE Chief Economist, Aditya Birla Group	**Inflation, slowing FDI, fiscal deficit**	Food management, fiscal consolidation, reforms stagnation, stuck legislations	2/5
RAJIV KUMAR Director General, FICCI	**Governance and fiscal deficits, inflation, low agriculture production**	Agro logistics deficit, labour reform, pending FDI liberalisation	2.5/5
M. GOVINDA RAO Director, National Institute of Public Finance and Policy	**Governance, infrastructure and fiscal deficits, inflation**	Corruption in infrastructure projects and land allotments, fiscal consolidation	1.5/5

*Economists' Forecast **Second half, 2010-11

businessmen and the Indian workforce: how bad could matters get for the economy and growth in gross domestic product? And, how long could the rough patch last? Three of the five economists BT spoke with (see *Economic Outlook*) predict GDP growth will be less than 8.2 per cent in 2011-12. Even the RBI, which has retained its 8.5 per cent estimate for 2010-11 with an upward bias, is cautious on the outlook for the next financial year saying "growth may decline somewhat" due to a high base effect this time for agriculture.

These predictions will come true, if not next year then the year after for there are glaring gaps in the economy that need fixing. Agriculture and food policy, for instance. V.S. Vyas, Member of the Economic Advisory Council to the Prime Minister, says there are deficiencies at multiple levels: minimum support prices, and the institutional system for transfer of technology, benefits of research, seeds and inputs. "The extension machinery is completely broken down. Big farmers have some access but not small farmers. Even 50 per cent of the credit meant for small farmers is not reaching them," he says. "Going forward, two or three things need to be looked at — macro-agri-policy, region-specific agri-policy and water management." Put simply, goals that cannot be achieved overnight or without political will.

In the non-food economy, increasing the pace of infrastructure rollout is a difficult target given that project completion comes with significant time lags — three years after a road project, for instance, is awarded to a developer. By that yardstick, the low measure of road projects awarded in 2008-09 — 643 km — will come to haunt the UPA this fiscal year and the next. The road projects awarded in 2009-10 and to date in 2010-11 are a healthy 3,360 km and 3,860 km, respectively, but they are caught in poor project execution, and time and cost overruns, partly due to problems over land acquisition and environmental approvals.

Ask Ajit Gulabchand, Chairman and Managing Director of Hindustan Construction Company, or HCC, who has acquired a poster-boy status over his fights with the government over green clearance for his under-construction hill station at Lavasa. The ₹3,000-crore project is one among the 64 Environment Minister Jairam Ramesh has halted. Prior approvals to another 469, some dating back to 2006, are at various stages of review — amounting to about one project

RATING ON GROWTH PUSH	INFLATION*		GDP*		IIP*	
	MAR 2011	MAR 2012	2HFY2011**	FY2012	2HFY2011**	FY2012
3/5	7%	6%	8.9%	8.5%	7%-8%	8%
1/5	7%	6%	8.5%	8%	7.5%	7.5%
3.5/5	8.5%	6.5%	8%	8.2%	8%	8-9%
2/5	7.5%	8%	8%	7.8%	8.5%	7.5%
2/5	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

halted a day since Ramesh got his job. Even the HCC chairman does not grudge environment standards but wants consistency in policy. "We are losing ₹2 crore a day. India should have environment standards in place rather than arbitrary action against projects," he insists.

In spite of the latest hiccups, few dispute a sound future of the Indian economy in the long term. If anything, what worries professionals like Akhil Gupta, Chairman and Managing Director of buyout fund Blackstone in India, is whether the high inflation will change from one of cyclical nature to "a structurally high inflation". Or, whether India will chug along but will have to live with high inflation, a la Latin American economies. The fix for this, he recommends in an echo of the RBI, is fiscal discipline.

Whether India will get to tackle its troubles and stoke investment back to the levels seen a few years back is anybody's guess. One instance from the Congress Plenary meeting at Burari, a town northwest of New Delhi, a week before Christmas does not inspire confidence. Party President Sonia Gandhi's call to her senior leaders and party workers to clean up corruption, especially around land acquisition, was greeted with silence. "So, no clapping for this one," asked a surprised Gandhi. That surprise, showing the disconnect between the Congress leadership and its rank and file, is not good news for business. ◆

ADDITIONAL REPORTING BY RISHI JOSHI, MANU KAUSHIK, N. MADHAVAN, K. R. BALASUBRAMANYAM, ANAND ADHIKARI, SHAMNI PANDE, SUMAN LAYAK AND T.V. MAHALINGAM

SHEKHAR GHOSH

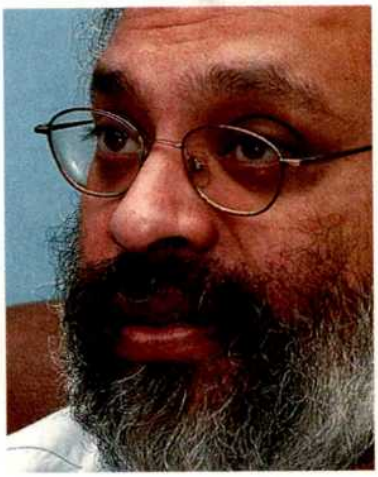
R. SESHASAYEE
Managing Director, Ashok Leyland

"In December, we had ramped up our production in Pantnagar and soon faced serious hurdles. Roads were not taking the load. We could not get our supplies in nor could we move out the fully built chassis."

IMPACT: Until Sept 2010, 118 roads and highway projects — 37% of total projects — were running behind schedule. As a result, fewer than 4 km of roads were built a day compared to the 21-km target

"The growth rate may come down"

The Reserve Bank of India's outlook for the growth rate in the coming year is dimmer, though close to trend. After the central bank announced its third quarter review of monetary policy on January 25, Deputy Governor **Subir Gokarn** *spoke with BT about the changed scenario for the economy and the RBI's outlook. Edited excerpts:*



On the significant changes in the macroeconomic environment since November 2010 highlighted by RBI

We have highlighted a number of risks, both for the macro economy and monetary policy. These risks have to do with global developments, commodity price pressures, domestic inflationary pressures and the current account deficit in the balance of payments. Last year, the risk was much more on global instability and now it has shifted to other factors. As the advanced economies are recovering in the backdrop of abundant global liquidity, there is a strong pressure on commodity prices. Going forward, capital flows may be more diversified globally, so countries like India may not attract the same quantum of capital, and of course, there are both global and domestic inflationary pressures.

On the RBI's outlook that GDP growth rate could decline

That is because the 8.9 per cent growth rate that we have seen so far this year — though perhaps the annual number will be slightly lower — has come on the back of an agriculture rebound from a very bad show the previous year. What we are saying is that we do not expect this momentum to accelerate, but the growth rate may remain close to the trend. And that is shaping our inflationary outlook as well and consequently our policy.

On whether the slowdown will be caused by RBI's anti-inflation measures

The impact on growth will be due to a combination of factors. It is a consequence of the fact that we have raised interest rates quite substantially over the last one year and the fact that there is a base effect. The arithmetic of the growth rate is less important than the momentum of industry and services. And we are saying that the momentum is not going to continue to accelerate. This is a guidance that has shaped our thinking on what is the appropriate policy action.

On by how much the rate will slow

We will come out with an assessment for a number or a range for that on May 3, 2011.

On RBI's notes of caution on the government's role

One has to be realistic about what the monetary policy can achieve with the instruments it has. Particularly on food prices — not all of them because the onion and vegetables shocks will dissipate fairly quickly — but the more persistent ones such as milk and pulses and so on. There needs to be a strong supply response and that is not something that the monetary policy can achieve. It is not that individual piecemeal solutions are not effective but they have to be brought together and an action plan has to emerge for the quickest possible impact.

On India facing a growth versus inflation trade-off if the government fails to act owing to elections later this year or other political and non-political reasons

It is really a question as to what combination of growth and inflation the society is comfortable with. If there is a very sharp increase in inflation in order to sustain a higher rate of growth, that may not be an acceptable trade-off. The faster the supply-side bottlenecks are addressed lesser the chance that you are going to get into that situation.

On how close we are to that alarmist situation

That is a very important question and we should be contemplating it.

On why foreign direct investment is not picking up

The steep fall in FDI is a concern. It has dropped sharply from 2009 and we are analysing the reasons for this... it is not fully understood yet.

Patented Process

Permanent Shape Retention

Fast Colour

Trouser fabrics for working hours and after hours.

Made from an innovative soft viscose blend, with a lustrous finish that keeps your trouser looking fresh even after extreme use. Choose from a wide range of colours and patterns that go with every occasion.

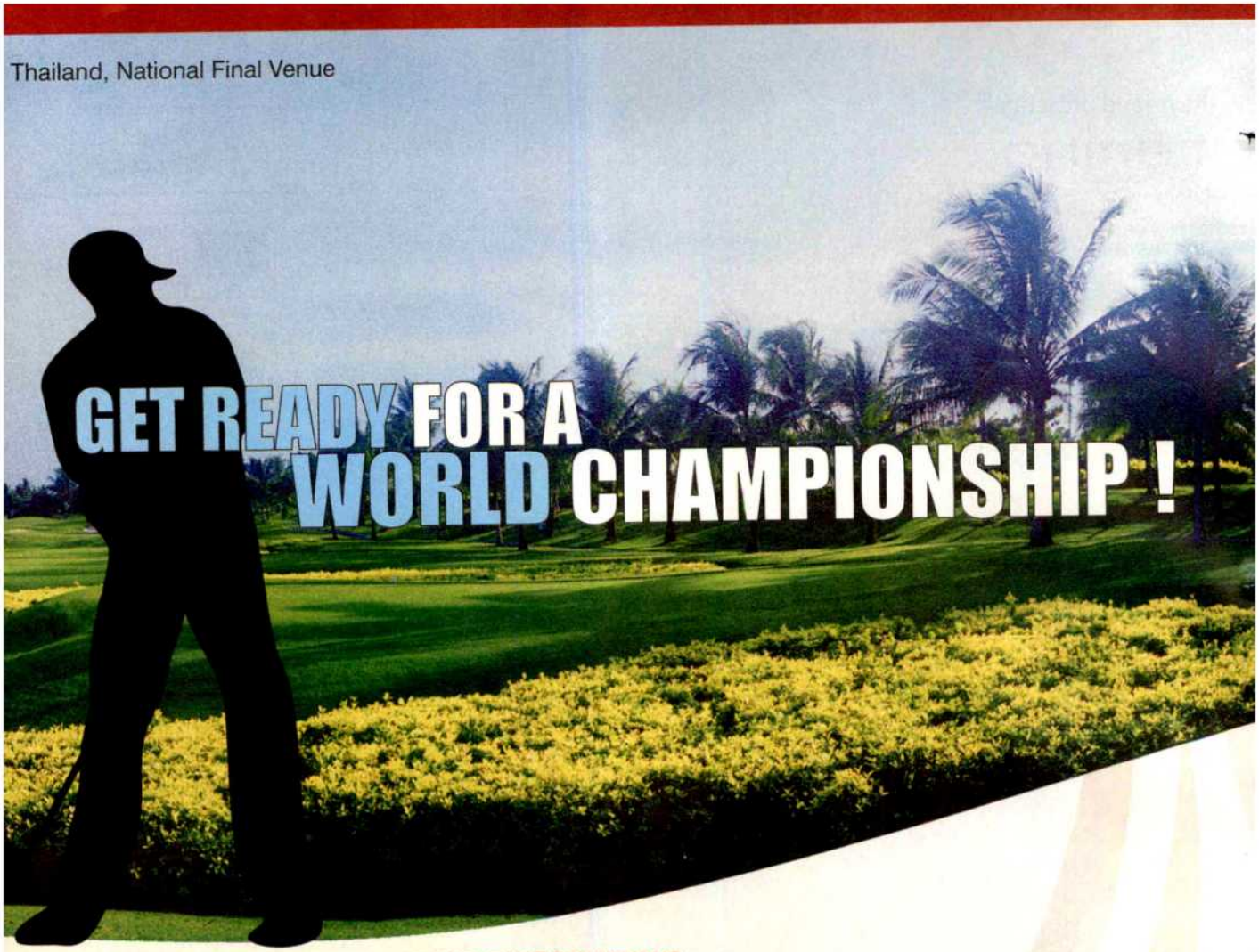
Terino from Raymond.
The new generation fabric.

The Complete Man

Raymond

SINCE 1925

Thailand, National Final Venue



TAKE
Enabling Business Efficiencies

ABOUT TAKE SOLUTIONS

TAKE Solutions is a leading international business technology company with products backed by a strong domain expertise in Life Sciences and Supply Chain Management. With extensive technology expertise in Business Intelligence and Business Process Management, TAKE's track record in delivering world-class solutions throughout global markets is well proven. Technological innovations have always been the driving force of the company, which in turn helps TAKE's customers achieve consistent growth in business.
www.takesolutions.com

THE WORLD CORPORATE GOLF CHALLENGE

The TAKE Solutions World Corporate Golf Challenge gives Indian corporate teams a unique opportunity to represent their country in the only annual World Golf Championship. This year's regional tournaments are being held in Kodaikanal, Mumbai, Bangalore and Delhi with a National Final at Thailand contested by the winning teams from each city. The World Final will be held at the Ernie Els designed Oubaai Golf Club in George, South Africa. India started participating in it since 1999 and TAKE Solutions has been the proud sponsor of this prestigious event since 2005.
www.takesolutionswcgc.com

NATIONAL FINAL PARTNERS

amazing THAILAND
Always Amazes You
www.tourismthailand.org

lebua
HOTELS & RESORTS

Supported by

Believe in THAILAND
Thailand Convention & Exhibition Bureau

TOURNAMENT SCHEDULE

Chennai	Wed, Dec 29, Kodaikanal Golf Club, Kodaikanal
Mumbai	Sat - Sun, Jan 8 – 9, Aamby Valley Golf Resort, Lonavala
Bangalore	Fri - Sat, Feb 4 – 5, Eagleton Golf Resort, Bangalore
Delhi	Fri - Sat, Feb 18 – 19, Jaypee Greens Golf Resort, Greater Noida
National Final	Mon - Tue, Apr 4 – 5, Thailand
World Final	Tue – Sun, May 3 – 8, Cape Town, South Africa

Promoted by Rishi Narain Golf Management | www.rishinaraingolf.com | Email us at seema@rngolf.in

TAKE
Enabling Business Efficiencies

WORLD CORPORATE GOLF CHALLENGE

INDIA

Presented by

INDIAN TERRAIN

In Association with

Ballantine's
LONG DRIVE CHALLENGE

Emirates

Shriram Properties
www.shriramproperties.com

Print Partner

Golf Digest
INDIA

Promoted by

RN Golf Management
Rishi Narain

WORLD CORPORATE GOLF CHALLENGE
Official qualifier for the World Corporate Golf Challenge

CALCUTTA CENTRAL

Entry by Invitation Only

CHAITANYA KALBAG

It's the Elections, Stupid

The economy is whirling around in a populist spiral

Pranab Mukherjee is starting to look worryingly like a feckless heir squandering his generous inheritance while his fretful guardian in the person of Duvvuri Subbarao tries to board up the door and keep the wolves at bay with a nail here and a nail there.

The "history sheet" is simple and clear. Later this month, Mukherjee will present his third budget since the United Progressive Alliance came to power in the 2009 election. UPA-I, by hugely increasing social-sector expenditure in its two final years, 2007-2009, effectively torpedoed the Fiscal Responsibility and Budget Management Act, which mandated that the fiscal deficit be cut to 3 per cent of GDP by 2008-09.

The *aam aadmi* stimulus ought to have been pulled back. Instead, populist spending is only likely to increase

India's financial mandarins argued that fiscal stimulation was called for to battle the global downturn and to deepen "inclusive" growth. The fiscal deficit shot up to 6 per cent in 2008-09, 6.7 per cent in 2009-10, and is projected at 5.5 per cent in 2010-11. As a Royal Bank of Scotland analysis put it, even if you take the windfall from the 3G spectrum auction into account, achieving next year's 4.8 per cent target seems impossible. And to think that back in 2004, flush from its victory, the UPA actually predicted a balanced budget by 2008-09.

Experts will tell you that once the economy had come through the recessionary shoals, the *aam aadmi* stimulus ought to have been pulled back and more funds poured into infrastructure and manufacturing. Instead, populist spending is only likely to increase, said Dr Rajiv Kumar, Director General of the Federation of Indian Chambers of Commerce and Industry, or FICCI. Mukherjee, ever the fixer-upper for the Congress party, will have to keep an eye out for five key state elections this summer, including West Bengal, Tamil Nadu and Kerala. The spending cannot stop. The Uttar Pradesh state election in 2012 will call for some huge sops. Then comes 2013, and the general election — assuming the UPA government is still in power, scandals, legislative gridlock and all.

An international economist who closely watches India said with ample revenues in its coffers, the fiscal situation ought to have improved. "But it has not. Instead, all the revenues (and more) are being spent on new social programmes. Now it is true that social indicators are poor, and more needs to be done to help the poor. But it is hard to avoid the impression that the government sees the poor as vote banks, which they can

"It is hard not to conclude that monetary policy needs to be tightened substantially, so we can put inflation 'back in the box'"

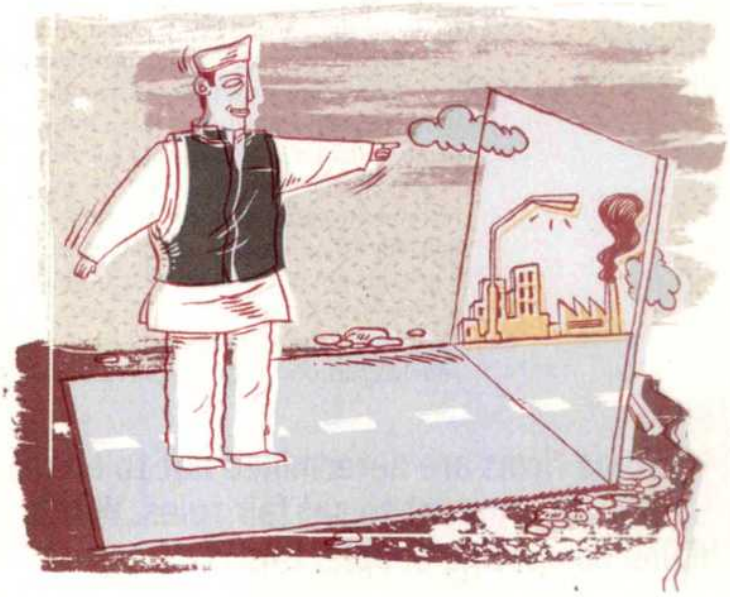
tap as long as they provide them with funds. And surely at least a portion of the revenues could be saved, to give India some manoeuvring room in case a crisis hits?"

"There has been too much stoking up of consumption demand," said Kumar, "and not enough capacity expansion." The central bank, too, says only by spending more on capital expenditure will the government be able to fight some of the bottlenecks that contribute to supply-side inflation.

Inflation is now entrenched, and food price inflation is here to stay, fuelled by rising consumption of proteins as buying power increases in the countryside. The Reserve Bank of India's review of the September-December 2010 economy commented drily that "The rise in food inflation has not only persisted for more than two years now, the increase has been rather sharp in the recent period." And RBI Governor Subbarao, in his January 25 statement after the central bank raised interest rates for the seventh time this fiscal year, said: "Food inflation has remained at an elevated level for about two years and the prospect of it spilling over to the general inflation process is rapidly becoming a reality." And so the RBI has raised its estimate for inflation to 7 per cent by March-end.

"If you chart inflation, there seems to be a clear break in 2006. Before that, inflation wasn't much of a problem; since then, it has been. Initially much of this was because of food price increases. But now prices are rising more widely, and it is hard not to conclude that monetary policy needs to be tightened substantially, so we can put inflation 'back in the box'," Joshua Felman, a former International Monetary Fund, or IMF, representative in India, said.

But monetary policy is a blunt instrument to beat inflation over its head with. The RBI rubbed this in: "Monetary policy works most efficiently while dealing with an inflationary situation when the fiscal situation is under control."



ILLUSTRATIONS BY RAJAT BARAN

Because of poor storage and infrastructure, there are huge productivity losses. "And supply is unable to keep up," said Kumar. "At the same time, cereal yields have been stagnating." A Nomura paper on food prices last September noted that the food weighting in consumer price inflation, or CPI, in advanced economies was typically between 10 and 20 per cent, whereas it was about one-third in China and as high as 46 per cent in India. "A sustained surge in food prices can have more pernicious effects if it unmoors inflationary expectations, impelling workers to demand higher wages to compensate for rising food costs, thus setting off a wage-price inflation spiral," the Nomura report said. This is exactly what is happening in India.

Dr Chakravarthi Rangarajan, Chairman of the Prime Minister's Economic Advisory Council, said food inflation has been a problem for over two years. "In a situation like this, management of the supply side is critical," he told *Business Today*. Rangarajan said prices of cereals like wheat and pulses have dropped, but the prices of meat, fish, eggs, vegetables and fruit have risen sharply.

Rangarajan said the central bank can moderate the demand side through interest-rate management. But with bank lending rates upward of 11 per cent, manufacturers face a nasty squeeze. FICCI's Kumar pointed out that 90 per cent of State Bank of India lending over the past three quarters went towards infrastructure projects, and only 10 per cent went to manufacturing. "The cost of capital is likely to go up further," said Kumar.

Felman, who now works in the IMF's research department in Washington, D.C., said he was worried about whether investment is truly recovering. "Here the signs are very mixed. Credit is growing nicely, and infrastructure projects such as power and roads seem to be moving ahead. But other greenfield projects seem stuck, held back by investor caution, land issues and the complex process of securing environmental clearances. So, investment does not seem to be booming the way it was before the crisis, and this is worrisome."

"Some firms are determined not to allow the government to set fair rules. With a billion competing people, this is a tragedy"

The RBI's quarterly review echoed with warnings. The current-account deficit, or CAD, will hit 3.5 per cent this fiscal year, and is "unsustainable", the central bank said. But with global commodity prices rising, import bills look like staying high. Foreign direct investments, or FDI, could help finance this deficit, but the bad news is that FDI flows into construction, real estate, business and financial services have declined, while foreign institutional investors' equity investments accounted for 79 per cent of net capital inflows of $36.7 billion during April-September 2010. This is clearly not desirable or sustainable, and the central bank said that "environment sensitive policies" — read Jairam Ramesh's activism — have triggered a fall-off in FDI. "Added to this are the persistent procedural delays, land acquisition issues and availability of quality infrastructure," the RBI said.

Will the UPA government quicken reforms to address these problems? The international economist was not sanguine. "Everyone expected that once the Left Front was kicked out of the coalition, reforms would accelerate. Instead, they've slowed down," he said.

The IMF's Felman said his final concern was the "governance deficit". "A decade ago the question for reformers was whether the government would give the market sufficient space to operate," he says. "Now, the issue is the reverse: whether the government has sufficient room to do what it needs to do, namely set fair rules of the game in which firms would operate. In a nation where there are more than one billion competing people, each striving for a fair chance in life, this is not just a problem. It is a tragedy." ◆

ELECTRONICS AND COMMUNICATION ENGINEERING PROGRAM OF

SRM UNIVERSITY

IS FIRST IN INDIA TO GET ACCREDITED BY

THE ENGINEERING ACCREDITATION COMMISSION OF

ABET

111 MARKET PLACE SUITE 1050 BALTIMORE MD 21202-4012 USA

Moment of Pride

It is indeed a moment of pride for SRM University and its faculty, students, parents and alumni, to become the first University to get an ABET (Accreditation Board for Engineering and Technology) accreditation for B. Tech, Electronics & Communication Engineering.

ABET is the most respected accreditation organization in the U.S for over 75 years. ABET accredits programs at more than 600 colleges and universities worldwide.

SRM University, in recognition of its excellence in higher education and research, was ranked India's No.1 Multiple Streams University (Engineering and Medicine) in 2009 by The Education Times – GfK Mode Study, joining the league of IITs, NITs and AIMS.

And now, SRM has joined the league of world's best universities by securing the prestigious ABET accreditation in 2010.

SETTING TRENDS I INVENTING THE FUTURE

For more details please visit www.abet.org and www.srmuniv.ac.in

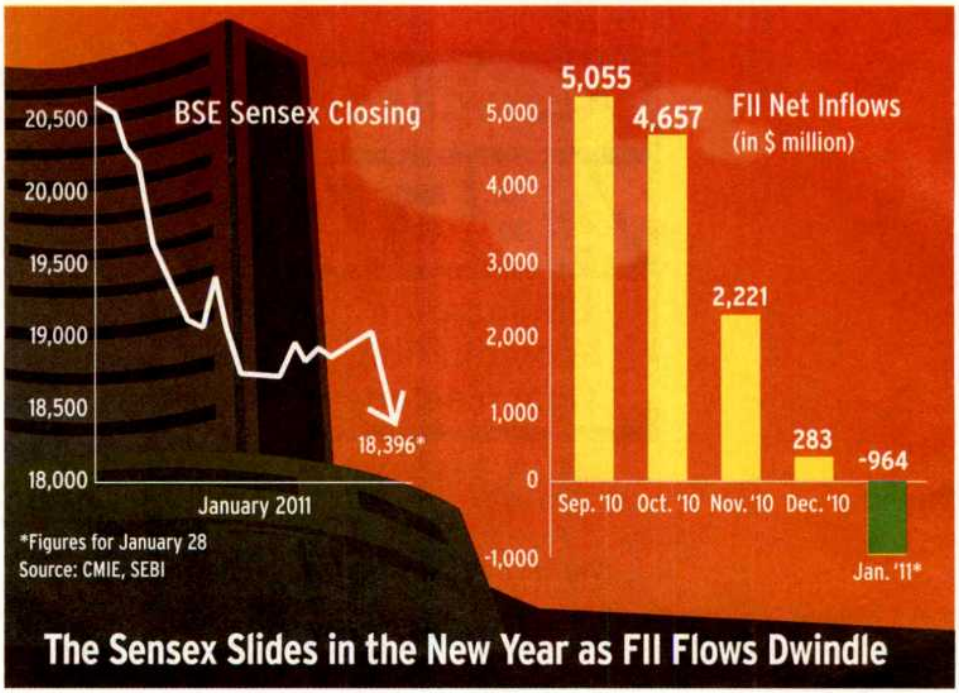
25 years of enlightening lives
SRM UNIVERSITY Since1985

SRM UNIVERSITY
(Under section 3 of UGC Act 1956)
Kattankulathur, Kancheepuram Dt., Chennai

TCC I tccgroup.net

Bulls Beat the Retreat

Macroeconomic headwinds and a paralysis in governance could keep the bulls away. BY RAJIV BHUVA



GRAPHIC BY SANTOSH

After a heady 2010, the bulls are on the backfoot in the New Year and the bears are on the prowl. Consider this: the Sensex soared 3,000 points in 2010 as foreign institutional investors, or FIIs, captivated by the India shining story, pumped in a record $29.4 billion into the equity markets. India will remain a good long-term bet, chorused the bulls. But a few weeks into 2011 and a palpable sense of gloom has descended on Dalal Street. The Sensex had shed 2,113 points in 2011 at the time of going to press and the FIIs have turned net sellers. And traders are fretting that the markets may remain tentative awhile. So what is worrying the bulls? Most say the total paralysis of governance in New Delhi followed by the recent spate in corruption scandals have soured market sentiment.

"Corruption and scandals are factors that are negatively affecting valuations and increasing the risk premium attached to investing in India," says Boston-based Punita Kumar Sinha, Senior Managing Director at Blackstone Asia Advisors, an FII investing in India. Global investors are typically very sensitive to governance issues in emerging economies. "For any emerging economy, it is important to have a good governance record in order to pre-empt possible adverse reactions from international investors," says Siddhartha Sanyal, Chief India Economist at Barclays Capital.

Hong Kong-based Adrian Mowat, Chief Asian and Emerging Market Equity Strategist at JP Morgan, seconds Sanyal. The second half of 2010 was marred by scams, and Parliament's failure to pass any legislation, says Mowat, has

LEARNING SYSTEMS

for

HR CERTIFICATION PREPARATION

We are the chisel for the sculpture.

Add more value to your worth.
Get globally-recognised HR Certification* from HRCI (HR Certification Institute). SHRM's Learning Systems combine workbooks, practice tests and web-based learning to ensure in-depth preparation.

PHR® : Professional in Human Resources
SPHR® : Senior Professional in Human Resources
GPHR® : Global Professional in Human Resources

We're the R for HR.

SHRM™ India

we know next™

For details, call +91 84312 73700/01 or mail shrmindiacert@shrm.org

www.shrmindia.org

*Prior HR related work experience is required to appear for these exams.

Capital/SHRM/003

gradually taken its toll on market sentiment. He hopes Parliament is allowed to conduct business during the Budget session. "If it does then political sentiment will improve. The prosecution of high-profile people accused of corruption will also improve confidence. Sadly, the expectation is that it will not happen," he says.

The government's hands may also be tied with Assembly elections in five states slated for 2011, worry analysts. "There could be some political compulsions," says Parul Saini, Executive Director at Singapore-based RBS Asia Securities. With the Assembly elections and the ongoing political stalemate around corruption, the Street does not expect progress on any politically sensitive reforms. "Given the upcoming elections in various states, it is possible that the Budget will continue to spend on subsidies," says Sinha.

Macroeconomic concerns are adding to the woes of the bulls. Galloping food inflation and hardening interest rates could derail the Indian economy in the short- to medium-term is the consensus in dealing rooms. The fears may not be entirely unjustified. On January 25, after announcing a 25 basis point (100 basis points make a percentage point) hike in repo and reverse repo rates, D. Subbarao, Governor, Reserve Bank of India, or RBI, stressed the dangers of "food and fuel price increases spilling over into generalised inflation". He added: "There has been a sharp rise in global commodity prices, which has heightened upside risks to domestic inflation."

The RBI has raised its inflation projection for March 2011 from 5.5 per cent to 7 per cent. "The inflation fears are justified," says Mowat. The prices of oil, agricultural products and metals are up 17 per cent, 16 per cent and 10 per cent, respectively, over the past three months, which, Mowat points out, is a threat to growth. "Oil exceeding $100 a barrel could be another negative for investors and overall business confidence," he says.

UMESH GOSWAMI

PUNITA KUMAR SINHA

Senior Managing Director, Blackstone Asia Advisors

"Corruption and scandals are negatively affecting valuations and increasing the risk premium attached to investing in India"

All the negative news could potentially take its toll on FII flows. So, could we see outflows from India? "We are expecting a slowdown but not a reversal," says Saini. According to him, it may be hard to replicate last year's situation. "As the economic recovery in the US takes hold, investor funds may flow back into equities there at the expense of emerging markets," he adds.

Agrees Sinha: "Clearly, there is a rotation happening. If the US economy continues to show signs of improvement, then some of the allocation could move out of emerging economies, including India." Developed markets, then, could outperform emerging markets such as India this year. "Developed markets are enjoying a cyclical lift, which for now seems more important than their still-serious structural issues," says Mowat.

This is bad news for Indian companies as their plans to raise capital from the primary market could be hit. Last year saw the highest ever mop-up of public issuance by Indian corporates worth about ₹59,523 crore. In 2011, there are 100 public issues in the pipeline for the private sector alone. "The indicative IPO size from these public issuances is about ₹50,000 crore," says a report from New Delhi-based SMC Global Securities, a brokerage firm. The government's $10-billion PSU divestment programme will also be impacted. "A slowdown in foreign flows does make a divestment process more difficult," says Saini.

Given the headwinds, then, expect the markets to remain edgy and nervous in the short term. But for the long-term investor, the rules of the game remain the same, say analysts. Every dip is an opportunity to accumulate quality stocks. ◆

Education with sheer involvement

- International certifications - PYP, MYP and IB Diploma
- Online communication between parents and teachers
- Home work through Wikispace, Google and Ning
- Combined study with students of US, UK, Australia, Canada & China
- Students from various countries studying in school
- Represented at Copenhagen Summit

ACHIEVEMENTS...

- **100% results year on year**
- **Alokik Mishra ranked No.1 all across the world in Class 10th(IGCSE)**
- **Manan Dosi got First Rank in India in 'A' level exam**
- **63 accolades won in International sports meet**
- **School students adopted TODI Village**

CHOITHRAM INTERNATIONAL

Only IB World School in M.P. & Chhattisgarh

Choithram Hospital Campus,
Manikbagh Road, INDORE - 452014
(M.P.) **Ph.: +91 731 2360345-46,**
Mob.: 091798 29905
E-mail: principal@choithraminternational.com
www.choithraminternational.com

International Baccalaureate

UNIVERSITY of CAMBRIDGE International Examinations

Say Hello to Fast Moving Pharma

FMCG companies are tapping opportunities in the growing non-prescription healthcare market. BY MANU KAUSHIK

In mid-2007, Praveen Jaipuriar, Category Head of Health Supplements at Dabur India, hit a brick wall. The company's internal research found that children tended to stop eating its largest-selling brand, Chyawanprash, an ayurvedic health tonic, once they crossed 13 and did not go back to it until they were 30. "Usually, people in the 13 to 30 age group do not care too much about their health. They often view Chyawanprash as some old-world health supplement. For children below 13, it is usually the parents who feed them Chyawanprash; and by the time they reach 30, they start taking their health seriously," says Jaipuriar.

After some brainstorming, Jaipuriar's team decided to change Dabur Chyawanprash's brand ambassador from Bollywood superstar Amitabh Bachchan to Mahendra Singh Dhoni, captain of the Indian cricket team. "Besides a better youth connect, Dhoni's persona correlates well with Chyawanprash consumers (of all ages)," he says.

At ₹250 crore, Dabur Chyawanprash is the biggest brand in the fast-growing consumer healthcare market. It is also one of the many categories that blurs the distinction between fast-moving consumer goods, or FMCG, and pharmaceuticals. And a few companies from both sides want to be positioned at the sweet spot where the two meet: Drug companies want to get into the consumer healthcare space, and FMCG companies into over-the-counter, or OTC, drugs.

Recently, personal care giant Reckitt Benckiser bought Ahmedabad-based Paras Pharmaceuticals when two of its biggest stakeholders, Actis and Sequoia Capital, decided to sell out. With its established consumer base and marketing network, Paras was on the radar of companies such as GlaxoSmithKline, Sanofi-aventis, Emami, Dabur, Reckitt Benckiser and Marico. Reckitt paid a whopping ₹3,260 crore by valuing Paras at eight times its 2009-10 sales of ₹401 crore to clinch the deal.

"The consumer healthcare segment is growing at around 18 per cent, almost 1.5 times the rate at which the FMCG sector is growing,"

Strengthening the OTC portfolio: Reckitt Benckiser's C.M. Sethi

VIVAN MEHRA/www.indiatodayimages.com

points out Nikhil Vora, Managing Director at brokerage house IDFC-SSKI. Rising fees of medical professionals, an increasing penchant for self-medication, aggressive advertising and increasing faith in traditional medicinal systems like ayurveda are driving this growth. "Rising disposable incomes coupled with the onset of lifestyle-related diseases and growing awareness about health care are contributing to the demand for such products," says Ashish Nanda, Partner of Consumer Products Practice at Ernst & Young. According to the UK-based OTC consultancy Nicholas Hall & Company, the Indian OTC pharma market was worth $1.8 billion (₹8,640 crore) in 2009.

"The segment has gained traction in the last few years, with the entry of several foreign and domestic players," points out Vora. Much of this growth has come through the inorganic route. Kolkata-headquartered FMCG firm Emami paid ₹730 crore for Zandu Pharmaceuticals in 2008; and the 117-year-old Amrutanjan Health Care is being seen as an attractive target for acquisition although its promoters have reportedly said they are in no mood to sell and are looking at buyouts themselves.

"Companies like Amrutanjan, Zandu and Paras are in demand because they have established brands and a wide product portfolio," says Vora. At eight times its sales, Paras may have been valued richly, but analysts say it has commanded such a price because there are not too many opportunities for inorganic growth in this lucrative segment.

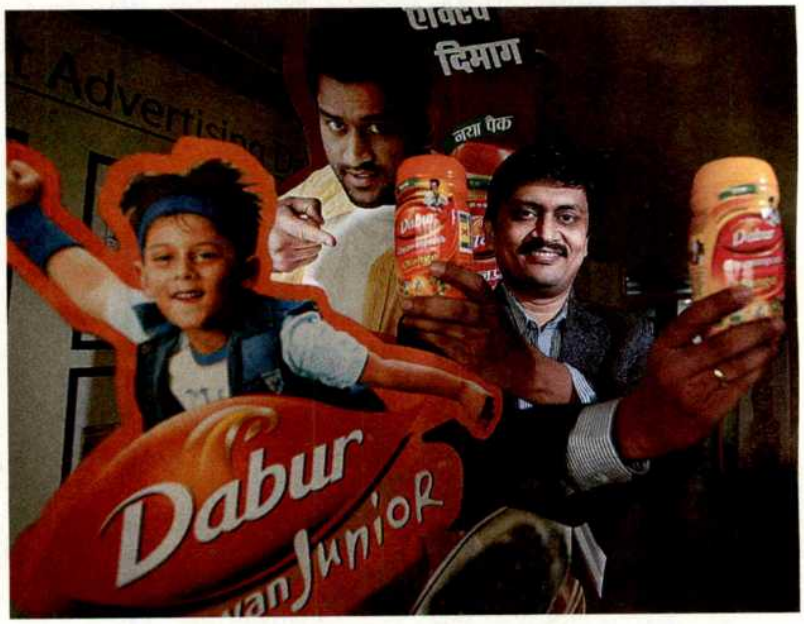
The Paras Premium

With Paras in the bag, Reckitt, which is predominantly an FMCG player in India, now has access to leading OTC brands such as Moov pain relief ointment, Krack heel care cream, D'Cold cold and cough remedy, and Itch Guard anti-fungal cream. "Paras has delivered mid-teen net sales growth on an average over the last four years. In the latest financial year, the net sales growth was closer to 30 per cent. Given our existing strong platform here, we believe that we can build on the success that Paras has

already enjoyed," says Chander Mohan Sethi, Chairman & Managing Director of Reckitt Benckiser (India).

Market experts reckon Paras's distribution network, which covers over two million locations in the country, will be a perfect launch pad for Reckitt's international OTC portfolio. Globally, Reckitt has several best-selling OTC drug brands such as Fybogel (a natural fibre supplement), Gaviscon (a digestive), Mucinex (cough medication) and Lemsip (a cold and flu remedy). "Both the companies have a strong distribution network across the country. It is a perfect integration as there is absolutely no overlap between the product portfolios of the two," says Anil Khanna, Business Head of CubeX, a consulting firm for the OTC business.

Emami is another player strengthening its presence in the consumer healthcare market. Before acquiring Zandu, the company had just three main brands in its ayurvedic OTC portfolio — Sona Chandi Chyawanprash, Himani Fast Relief pain reliever and Mentho Plus balm. Almost all of Emami's revenues came from its personal care business. Today, the group owns 15 consumer healthcare brands that contribute more than 35 per cent to its turnover, with Zandu Balm contributing a chunk. What is more, the Zandu acquisition provided Emami with a platform to launch a range of OTC drug brands such as blood and skin purifier Lalima, cough syrup Sardi Ja, laxative powder Good Morning, and memory tonic Memo Plus.



SHEKHAR GHOSH

"There are many niche areas like protein supplements, multivitamins and herbal supplements, which are exciting opportunities for us"

PRAVEEN JAIPURIAR, CATEGORY HEAD OF HEALTH SUPPLEMENTS, DABUR INDIA

"We are targeting ₹600 crore in revenues from consumer health care by December 2011, up from ₹450 crore till December 2010," says Harsh V. Agarwal, Director of Emami Group.

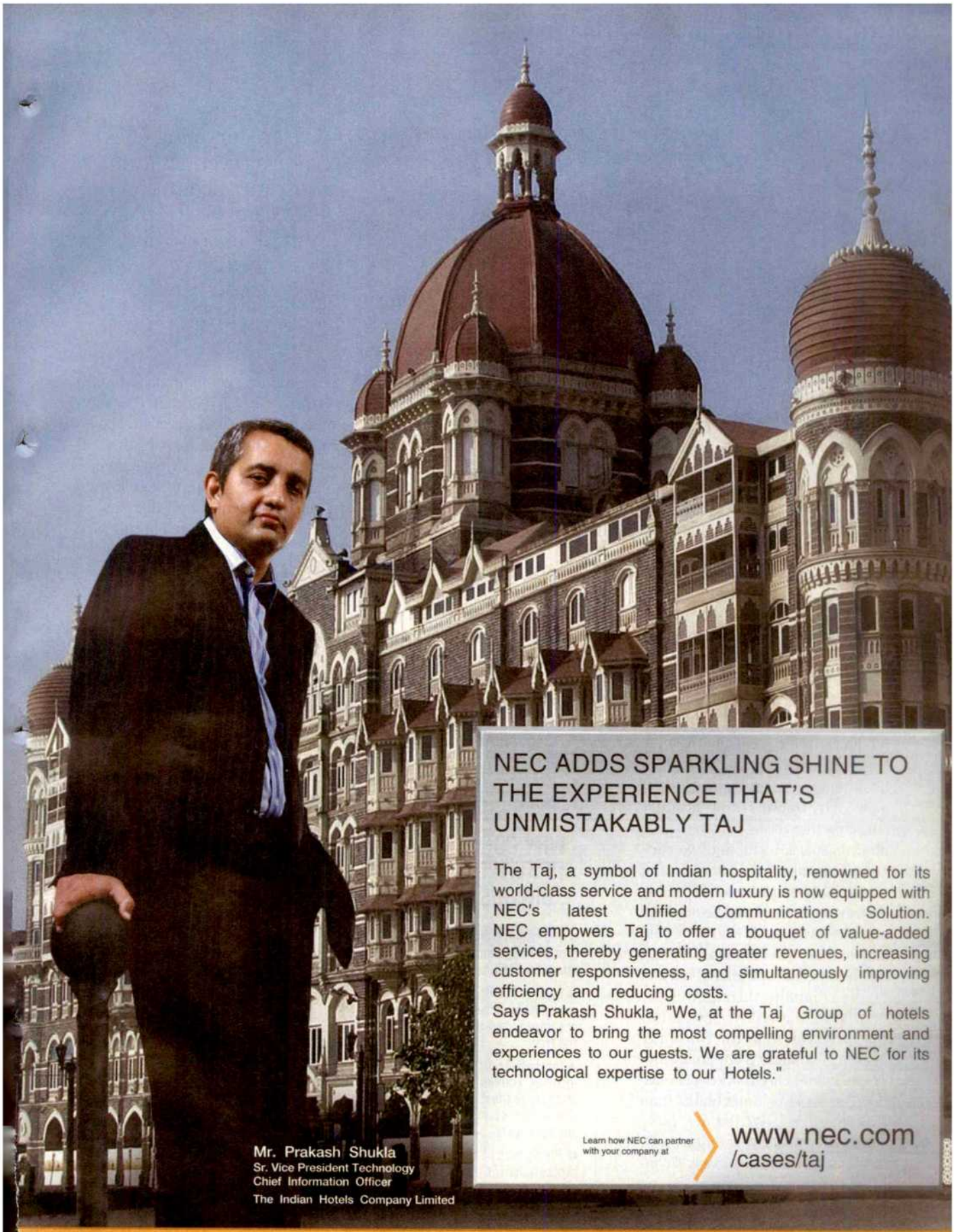
A major attraction of OTC pharma is the margins, which are almost double those in FMCG. "On an average, the operating margins in OTC pharma could vary between 20 and 25 per cent compared to 12 to 15 per cent margins in the FMCG sector," says Khanna of CubeX. Like FMCG, though, investments in brand-building are an imperative. As Khanna adds: "Once the brand is established, it can command higher margins."

Consider the example of Ranbaxy's health supplement Revital, which was launched in 1989 — not as an OTC product but

THE OVER-THE-COUNTER ATTRACTION

	2005	2006	2007	2008	2009
Analgesics	179	193	202	223	259
Cough, Cold & Allergy	227	251	270	295	318
Gastrointestinals	231	257	281	301	333
Vitamins, Minerals & Supplements	447	494	539	583	635
Dermatologicals	144	160	182	212	236
Lifestyle OTCs	15	16	18	24	33
Total OTC sales	1,243	1371	1,491	1,639	1,813

Figures are OTC sales in India, in $ million Source: Nicholas Hall & Company, a UK-based OTC consultancy



NEC ADDS SPARKLING SHINE TO THE EXPERIENCE THAT'S UNMISTAKABLY TAJ

The Taj, a symbol of Indian hospitality, renowned for its world-class service and modern luxury is now equipped with NEC's latest Unified Communications Solution. NEC empowers Taj to offer a bouquet of value-added services, thereby generating greater revenues, increasing customer responsiveness, and simultaneously improving efficiency and reducing costs.

Says Prakash Shukla, "We, at the Taj Group of hotels endeavor to bring the most compelling environment and experiences to our guests. We are grateful to NEC for its technological expertise to our Hotels."

Learn how NEC can partner with your company at

www.nec.com/cases/taj

Mr. Prakash Shukla
Sr. Vice President Technology
Chief Information Officer
The Indian Hotels Company Limited

Empowered by Innovation

NEC

DEBASISH PAUL

"We are targeting ₹600 crore in revenues from consumer health care by December 2011, up from ₹450 crore till December 2010"

HARSH V. AGARWAL, DIRECTOR, EMAMI GROUP

via doctor-focused marketing. For the next 13 years, Revital plodded along to become a ₹35-crore brand. In 2002, Ranbaxy decided to sell it over the counter. Result: Revital has grown into a ₹160-crore brand.

FMCG major Dabur, which has been selling herbal and ayurvedic products, is also foraying into new categories within the consumer healthcare market. In fact, in the past year, Dabur's new product launches have been only in the OTC pharma space, including two variants of Chyawanprash, vitamin and mineral supplement NUTRIGO, acidity remedy Pudin Hara and Lemon Fizz, and Honitus Day & Night for cold and flu relief. Most of these products are the outcome of the R&D activities of the company throughout the year. "Our foray is driven by the fact that penetration in the consumer healthcare market is abysmally low. The personal care market penetration is six to seven times higher than this segment. Whilst we have entered the modern OTC market with nutraceutical products, we will continue to expand our ayurvedic OTC portfolio as well," says Jaipuriar, adding that the consumer healthcare segment is growing at 20 per cent year on year, whereas the personal care and FMCG business growth is around 15 per cent.

Dabur has a pretty balanced portfolio. Of its 2009-10 revenues of ₹3,500 crore, ₹900 crore came from the consumer healthcare segment. And that part of the pie is set to expand at a rapid rate. "Within OTC pharma, the vitamin and mineral supplements, or VMS, category is growing at a compounded annual growth rate of 16 per cent. There are many niche areas like protein supplements, multivitamins, and herbal supplements which are exciting opportunities for us; as is lifestyle OTC, like heart health," says Jaipuriar.

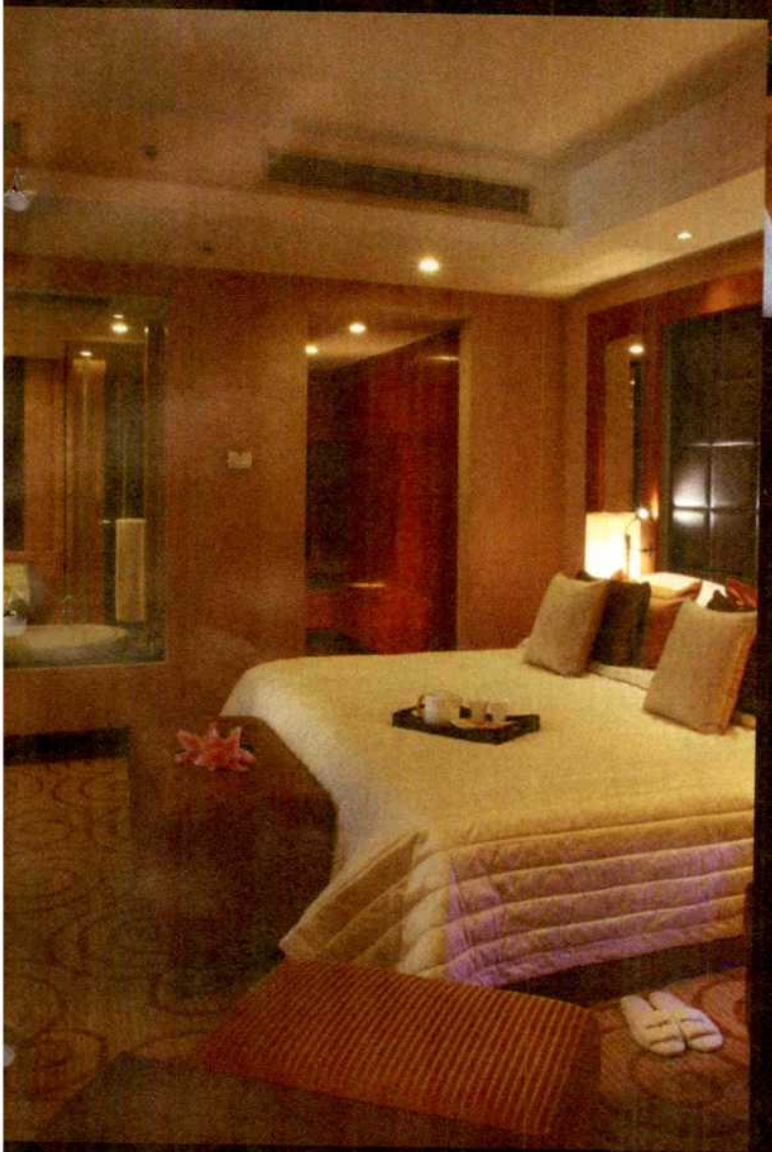
The success of OTC pharma has plenty to do with the role played by chemists, who have more or less taken charge of day-to-day ailments, of consumers who cannot decide on their own. Although OTC medicines are sold at grocery stores, consumers still prefer to buy them from chemist shops. For instance, 65 per cent of Dabur Chyawanprash's sales come from pharmacies. One reason for this may be, as Khanna explains: "Chemists not only dispense medicines but also advice."

In the meantime, even as FMCG companies make inroads into consumer health care, drug makers, too, have spotted the opportunity in products that do not need a prescription. Aventis Pharma, the Indian arm of French pharma giant Sanofi-aventis, for instance, test-launched Combiflam cream in select markets a few months ago. Combiflam traditionally has been an OTC pain relief tablet. Mumbai-headquartered Plethico Pharmaceuticals has consumer healthcare products in areas ranging from sports nutrition to foot care to cough and cold. Clearly, as more and more Indians prefer it over the counter when they are under the weather, the financial health of entrepreneurs in consumer health care has few question marks over it. ◆

WHY CONSUMER HEALTH CARE IS BIG BUSINESS

- The market is growing at 18 per cent annually, almost 1.5 times the rate of the FMCG sector
- Faith in homeopathy and ayurveda is increasing as more organised players get into the fray
- Increase in disposable incomes, coupled with an increase in lifestyle-related diseases, is spurring demand for such products
- Rising fees of medical professionals is prompting more people to self-medicate

CELEBRATING THE EXCITING NEW RADISSON HOTEL DELHI



Five new stunning facilities at Radisson Hotel Delhi promise a refreshing welcome

The Great Kabab Factory, where the kabab is still the king, promises a greater factory experience. The chic new NYC featuring an interactive kitchen, a sumptuous buffet spread and a world of choices invites you for a tantalizing treat. Lose yourself in the three new levels of relaxation, rejuvenation and replenishment at R-The Spa. Contemporary and elegantly designed rooms make conducting business a pleasure at Radisson. And that's not all! Delicious flavours, hot spices and appetizing aromas from the land of France, Spain, Italy and Morocco welcome you for a Mediterranean feast at The Med. Boasting of a lavish bar, and a luscious Tapas Lounge, this spectacular new restaurant gives you one delectable reason after another to indulge!

A delicious new experience awaits you at Radisson.

ASIA'S LEADING AIRPORT HOTEL, 2010

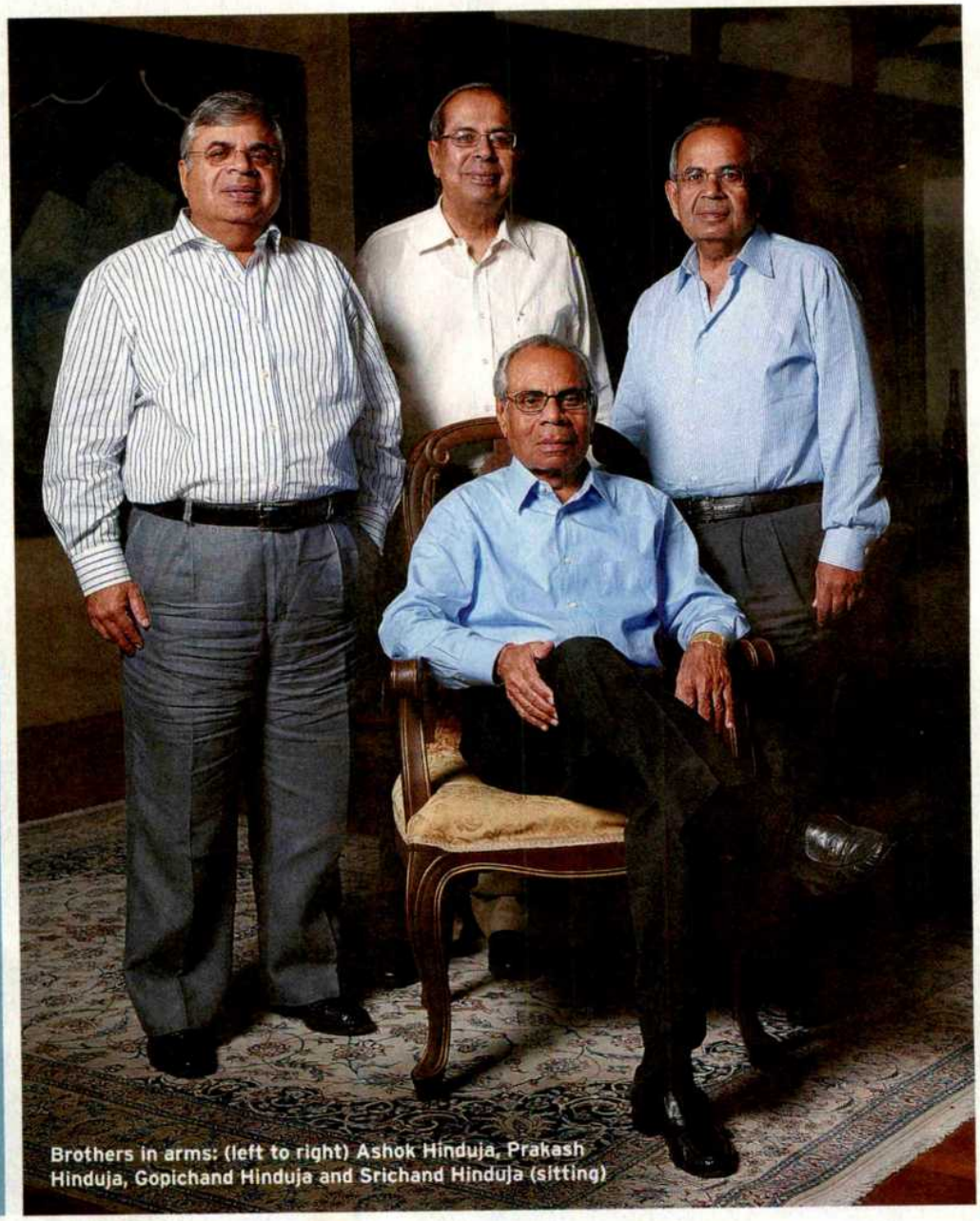
RADISSON HOTEL DELHI,
NATIONAL HIGHWAY 8, NEW DELHI 110037,
PH: 91-11-26779191 TOLL FREE NO. 1800 1800 333 (India)
Website: www.radisson.com/newdelhiin

Radisson
HOTEL DELHI

The Hinduja Rate of Growth

The London-headquartered group recognises the need to step up its pace in India but the brothers have still to take the bit between their teeth.

BY SUMAN LAYAK



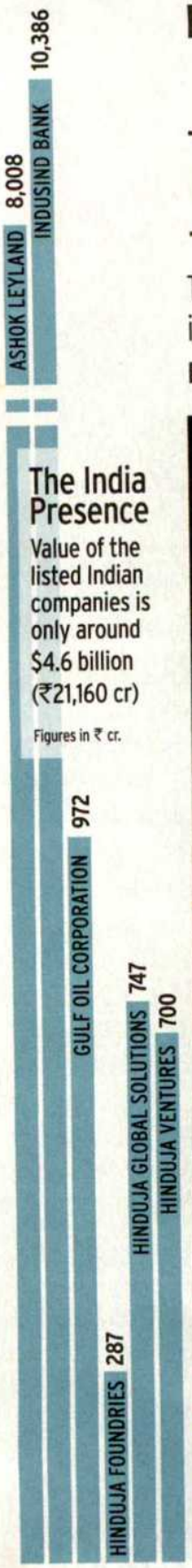
Brothers in arms: (left to right) Ashok Hinduja, Prakash Hinduja, Gopichand Hinduja and Srichand Hinduja (sitting)

UMESH GOSWAMI/www.indiatodayimages.com

The India Presence

Value of the listed Indian companies is only around $4.6 billion (₹21,160 cr)

Figures in ₹ cr.



Gopichand Hinduja, Co-chairman of the Hinduja Group, skipped his annual vacation in the Maldives last December. Instead, he visited Chennai, Rajasthan, Nagpur and Delhi. At 70, the second of the four Hinduja brothers is eager to get a fresh feel of India. "We have larger stakes abroad, but gradually we are coming towards India," says GP, as he is known within the group and the family. The $40 billion group (by market capitalisation) has only 20 per cent of its business in India. GP believes this will change. "2010 was our best year and this year we will take off," he says.

But will they really, given their recent track record in India? Some three-and-a-half years ago, the group announced plans to invest $50 billion (₹230,000 crore) in India, which was likely to be scaled up to $100 billion (₹460,000 crore). This included an unsuccessful $20 billion-bid (₹92,000 crore) for what was then Hutchison-Essar's wireless operations.

Today, the group is talking of a relatively modest though yet ambitious investment programme of $30 billion (₹138,000 crore) by 2014. Harish H.V., Partner at Grant Thornton India, who has dealt with the Hindujas, says: "If the projects take off, this $30 billion may scale up to $40 billion. But if they don't, we will be asking the same questions."

For the Hindujas, while thinking big is not unusual, the approach is always conservative. As GP says, "We do not believe in high leveraging. We want solid, sustainable growth." Eldest brother and Chairman S.P. Hinduja explains his investment strategy: "In 1986, I could foresee what was about to happen in Europe. By 1987-88, I started liquidating our risks there. Today I am liquid and secure." Third brother Prakash attributes this trait to the family's genetic make-up; the brothers have inherited from father Parmanand — the instincts of a trader who never underestimated the value of liquid assets.

In 1987, the Hindujas acquired Ashok Leyland Ltd, or ALL, and since then they have also promoted a bank in India, IndusInd. The group has five listed companies (see *The India Presence*) with a combined market cap of ₹21,100 crore. That's too small compared to their global stature. In a bid to scale up their Indian operations, the brothers have signed a series of joint ventures and made a string of acquisitions to ride the India story in the next 10 years.

Power, infrastructure, realty and defence are the new mantras and the acquisition of a "small, well-managed" infrastructure firm is set to be announced soon. Most interesting is a joint venture between ALL and Hinduja Group India to cater to the defence sector. As SP and GP are British nationals and Prakash is based in Switzerland, ALL was considered foreign owned, with the promoters owning 52 per cent. Current norms cap foreign direct investment, or FDI, in defence at 26 per cent. Hinduja Group India has Ashok Hinduja, the youngest brother and an Indian passport-holder, as chairman.

Power is where the Hindujas hope to ride the biggest wave and the man at the helm is Ashok Puri, a former chairman of BHEL. "South and west India will be focus areas," says Puri. The group has already closed the financing for its Vizag project — a $1.2-billion (₹552 crore), 1,040-MW unit that is slated to go on stream in two-and-a-half years. The group hopes to install 10,000 MW by 2016 and Puri says he is scouting for projects on hold. He is also in talks with Karnataka, Gujarat and Madhya Pradesh for greenfield ventures.

The power venture will soon try for an India listing, as will the realty arm that has 800 acres on which the plan is to build 27 million sq. ft. of commercial and residential space. But first off the blocks will be

..but the Hindujas are relying on joint ventures...

Hinduja company	Partner	Purpose
Gulf Oil	M&M	Co-branded diesel engine oils
Hinduja Power	Areva	Solar power
Ashok Leyland*	Hinduja Group India	Defence
Ashok Leyland	John Deere	Construction equip
Ashok Leyland	Nissan	LCV
Hinduja Group	Vinci Group	Road construction
Hinduja Group	ONGC	Oil & gas exploration in Iran

...as well as new projects to scale up

POWER
INSTALL BY 2016:
10,000 MW
PROPOSED INVESTMENT:
₹46,000 cr

REAL ESTATE
PLAN: 27 mln sq. ft of commercial and residential property
PROPOSED INVESTMENT:
₹5,306 cr

HEALTH CARE
PLAN: 2,000-bed operation by 2014
PROPOSED INVESTMENT:
NA

CABLE TV
PLAN: Rollout of triple play and broadband
PROPOSED INVESTMENT:
₹600 crore

*As two of the brothers, SP and GP, are British nationals and the third, Prakash is based in Switzerland, Ashok Leyland, in which the brothers own 52 per cent, is considered a foreign-owned company; FDI regulation does not allow foreign companies to have more than a 26 per cent holding in defence projects.

"Corruption has Exceeded all Limits"

Edited excerpts from an interview with S.P. Hinduja, the eldest among the second generation Hindujas

How would you describe your investing strategy now? Are you moving towards India?

Our group philosophy has been to diversify — by sectors and geographically. We are looking at eight to 10 sectors. The percentage of investment in India is changing according to time, but there are no set rules.

You seem to have finally laid the Bofors ghost to rest...

All that was a game — politics and economics go together everywhere. Business tycoons and our rivals are to be blamed for that. Even when we acquired Ashok Leyland, there was a huge hue and cry.

Do you think it is now easier to invest in India?

In India corruption has exceeded all limits. It was always there, but now it has become dangerous. Evil seems to exceed the good. Now you have to make people accountable. We are never pro or anti any political group anywhere in the world. We always look at whether (what we do) is in the best interest of the host country and the mother country.

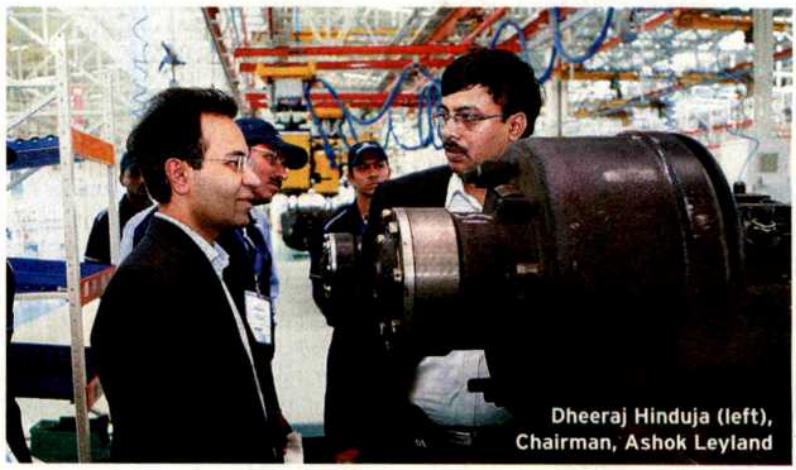
IndusInd Media & Communications, which, the Hindujas say, is the largest and only profit-making multi-system cable TV player in India. The Hindujas are eyeing a valuation of $1.5 to $2 billion (₹6,900 to ₹9,200 crore) and the listing is likely in early 2012. Managing Director Ravi Mansukhani says around ₹100 crore of private equity has poured in and efforts are on to tie up another ₹500 crore borrowing. Plans are afoot for broadband and related services, and acquisitions are also on the radar.

Do such plans excite investors? Says Vinod Sharma, Head of Private Broking and Wealth Management at HDFC Securities, "The market still does not value the Hinduja companies to their full potential."

The Hindujas may not be in the top league in India but, unlike many domestic family-owned groups, the brothers have stuck together. While the second generation is still active, five members of the next generation have taken up their posts. SP's daughter Vinoo heads the healthcare foray, another India-focused venture that is expected to be a 2,000-bed operation soon. Prakash's son Ramkrishan heads the BPO, IT and media arms, while another son Ajay heads banking and finance and is on the board of IndusInd Bank. GP's sons Sanjay and Dheeraj head oil and gas and automotives, respectively.

Automotives, essentially ALL, has the biggest plans, including going global. The company has inaugurated new plants in Pantnagar in Uttarakhand and Ras al Khaimah in the UAE. Dheeraj chairs the ALL board and spends 10 days a month in India.

Outside India, the group had re-entered Iran in 2008, which was its base under the Shah regime before the shift to London. But US sanctions have made the group cautious, although it is there via a joint venture with ONGC. At home, the Bofors ghost has still not been exorcised, what with the Income Tax Appellate Tribunal recently ruling that Ottavio Quattrocchi and Win Chada had indeed received kickbacks for the deal. The Hindujas would be relieved that there was little mention of them. That would allow GP to travel across India and get a feel of the country without the burden of history weighing him down. ◆



Dheeraj Hinduja (left), Chairman, Ashok Leyland

SHEKHAR GHOSH

While the Hindujas' second generation is still active, five members of the next generation have taken up their posts

ADDITIONAL REPORTING BY N. MADHAVAN

ULIP | TULIP 24X7 service. Dial befikar 1800-3000-7272

Jiyo Befikar

Risk Factors and Warning Statements: Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz Max Advantage Insurance Plan, Bajaj Allianz Shield Insurance Plan, Bajaj Allianz Invest Gain, Bajaj Allianz ChildGain, Bajaj Allianz Family CareFirst are the names of the company and the product respectively and do not in any way indicate the quality of the products and its future prospects or returns. In Bajaj Allianz Max Advantage Insurance Plan and Bajaj Allianz Shield Insurance Plan the investment risk in investment portfolio is borne by the policyholder. Unlike traditional products Bajaj Allianz Max Advantage Insurance Plan and Bajaj Allianz Shield Insurance Plan are Unit Linked Insurance Plan (ULIP) and are subject to investment risks associated with capital markets and the NAV of the unit may fluctuate based on the performance of funds. The policyholder is solely responsible for his/her decisions while investing in ULIPs. For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale. Tax-benefits are as per the Income Tax Act, 1961which may be subject to amendments from time to time. All charges applicable shall be levied. Insurance is the subject matter of the solicitation. Bajaj Allianz Life Insurance Co. Ltd. Regd. Address: G.E Plaza, Airport Road, Yerawada, Pune - 411006, Reg. No.: 116.

UIN: Bajaj Allianz Max Advantage Insurance Plan: 116L095V01, Bajaj Allianz Shield Insurance Plan: 116L097V01, Bajaj Allianz Invest Gain: Economy: 116N013V01, Gold: 116N011V01, Diamond: 116N010V01, Platinum: 116N012V01, Bajaj Allianz ChildGain: 116N024V01, Bajaj Allianz Family CareFirst: 116N061V01.

BJAZ-PR-0096/18-Jan-11

52-day Bull

Can **Sanjay Dangi,** whose wings have been clipped by the market regulator, come back on Dalal Street? **BY ANAND ADHIKARI**

Lehman Brothers had just shut shop. The global credit crisis was at its peak and an economic downturn of gigantic proportions had just begun. It was around this time, towards the end of 2008, when stock markets the world over were tanking and liquidity ran dry, that an unknown high net worth individual decided to swim against the tide. Welcome to the intriguing web of shadows and substance of Sanjay Dangi.

The 40-year-old, who had arrived in Mumbai from Rajasthan in the early 1990s, shot into the limelight on the Street when he took a long bet on the futures of Ackruti City, a Mumbai-based real estate developer. In 52 trading days, by mid-March 2009, the Ackruti stock galloped 250 per cent from ₹650 to more than ₹2,300. And this happened during a period when the benchmark Sensex fell by 10 per cent.

So out of the blue was the appreciation in the stock that it trapped a clutch of foreign institutional investors, or FIIs, with short positions in Ackruti. Dangi the bull was on a spree. And what made his task of mopping up the Ackruti stock even easier was the low free float in the market. The Shah family of Ackruti held almost 82 per cent of the equity.

The trapped foreign investors included a leading Hong Kong-headquartered brokerage house and a Frankfurt-based universal bank. Their options: either abandon their short positions and book huge losses, or keep depositing additional margins for every rise in the stock. There was a third option: treat this as a case of price manipulation and take the matter to the market regulator, the Securities and Exchange Board of India, or SEBI.

SEBI promptly intervened. It gave the FIIs an exit window for a brief period by restricting Dangi's buying spree, and followed it up by taking the stock out of the futures and options segment in late March

RAJAT BARAN

Sanjay Dangi, 40

Business: Owner of Pacific Corporate Services, the flagship of the Dangi Group, which has over a dozen investment companies

Qualification: A Bachelor of Commerce with chartered accountancy and company secretary degrees

In the Beginning: Practised chartered accountancy under S. Dangi & Associates, Mumbai

Bread and Butter: High net-worth individual operating as a proprietary investor in equities, and property market in Mumbai and Rajasthan

Family: Wife Alpana Dangi and brother Sunil Dangi are in the business

Claim to Fame: Trapped half a dozen high-profile FIIs with a short position in a stock that rose abnormally high in early 2009

Fall from Grace: Debarred by SEBI for indulging in stock market manipulations by colluding with promoters of four mid-size companies

2009. That move took the wind out of the Ackruti stock's sails. Within a week, the stock crashed by half (it is currently trading at ₹250 levels). Dangi was suddenly saddled with losses worth crores. "Dangi was unstoppable until SEBI changed the rules of the game," says a Mumbai-based market operator on condition of anonymity.

The Ackruti saga elevated Dangi from the minor league of operators into the (in)famous club of market movers. Also, what Dangi could do to stock prices was observed by promoters of mid-size companies.

The episode also put several investigative agencies on the money trail. The Income Tax Department of Nagpur discovered dealings between Dangi and an edible oil manufacturer in the city, Murli Industries. The department shot off a letter to SEBI, disclosing his links with the promoter family of the Nagpur-headquartered company.

In 2010, the Intelligence Bureau, or IB, started keeping close tabs on a dozen market operators, including Dangi (see *Others on the Loose*). Before the year ended, SEBI had received enough inputs to tighten the noose around him. In a *suo motu* 56-page order, the regulator barred Dangi and 24 group entities and individuals including his wife and brother from the stock market.

The IB report, which *Business Today* has a copy of, details Dangi's hand in playing the stocks of a clutch of companies (see *The Hand of Dangi*) that had a combined market capitalisation of over ₹10,000 crore.

Dangi was punished by SEBI without a show-cause notice, or a hearing, for suspected collusion with promoters of Welspun Group, Murli Industries, Brushman India and Ackruti. Many are questioning the timing of the move that came soon after the 2G corruption scandal and the Niira Radia tapes came out in the open. Dangi, who *BT* met in his Nariman Point office, refused to talk about the SEBI order, but nodded in the affirmative when asked if he would contest it. "I am a value investor in the market", is all he would say.

The watchdog, on its part, may not be barking up the wrong tree. Dangi, say people familiar with his operations, is not unfamiliar with circular trading, which broadly involves artificially jacking up prices by trading shares amongst a select group of operators.

Dangi arrived on the scene in 2002, a year after another market operator, Ketan Parekh, was slapped with charges of stock price manipulation. According to SEBI, Dangi was amongst a handful of operators who took part in circular trading in the shares of Granules India between December 2002 and January 2003. Dangi used his flagship company, Pacific Corporate Services, to buy a few lakh Granules India shares. C. Krishna Prasad, the promoter of the company, wanted to sell a part of his existing holding in the company. But it was feared that a sale would hammer the stock

The Hand of Dangi

The Intelligence Bureau has linked the operator with several companies

COMPANY	IB REMARK
Prakash Steelage	Dangi accumulated huge quantities of its shares and later offloaded it
Amar Remedies	Dangi was responsible for taking the share price to ₹102 in August 2010
Sahyadri Industries	Dangi had bought a 20 per cent stake out of which 14 per cent was in his own company, while 6 per cent was in the name of his associates
Core Projects & Technologies	Dangi suggested to the promoter to convert their cash holding into F&O. In a month's time, the share price rose from ₹195 to ₹250 per share
Orchid Chemicals & Pharma	Dangi was active in this counter
Panasonic Home Appliances	Dangi was active in this counter
Gokul Refoils & Solvent	Dangi was instrumental in raising the price to ₹130 and then allowing it to cool down to ₹100
J. Kumar Infraprojects	At the behest of the promoter, Dangi attempted to pick up all floating stock from the market and then place the scrip with institutions
Parekh Aluminex	Dangi was active in this counter in which the promoter wanted the share price to rise to ₹1,000. Dangi held around 10 per cent stake in the scrip

BT sent out emails and spoke to the companies listed above. They have denied any knowledge of Dangi's activities

Source: Intelligence Bureau Report

WELCOME TO YOUR PERMANENT HOME AT INDIABULLS BLEU, WORLI.

LOCATION AS OUTSTANDING AS THE HOME ITSELF.
With the Arabian Sea at an arm's length, Bandra-Worli Sea Link a few blocks away, Four Seasons round the corner and lure of the old world charm that Worli promises, Indiabulls Bleu is as perfect a location, as Mumbai can offer.

GRAND ATRIUM.
Walk into the grand entrance atrium, its understated elegance and quiet grandeur will make coming home, a celebration.

EXQUISITE INTERIORS.
Choose your favourite from three exquisite interior styles that complement your fine tastes and add a touch of class to the experience of luxury living.

SOOTHING LANDSCAPING.
Japanese landscaping masters will recreate the magic of their exquisite gardens, right here. Explore serenity and the richness of nature captured dramatically using miniaturised rocks, sand, water and natural plants.

INDULGE YOUR BODY. PAMPER YOUR SENSES.
Unwind at the fully-equipped fitness and sports annexe with an Olympic-size pool, an indoor cycling studio, world-class gym, jacuzzi, spa, golf simulators and an indoor games zone. Lavish activity and leisure precinct with a mini theatre and fine dine restaurants is the perfect place to take it easy after a long day at work.

A LUXURIOUS SPREAD OF ESSENTIALS.
Call for a concierge, a chef, or a nanny whenever you may require one. Housekeeping services will also be just a call away. When it comes to security, expect the most advanced home automation systems complete with sensor controlled entry and exit and advanced surveillance cameras.

Take your pick from a range of never before financing offers.

Sales Lounge:
One Indiabulls Centre,
Tower 1 Atrium,
Lower Parel, Mumbai – 13.

SMS BLEU to 56767
Toll free – 1800-200-7755
Email: bleu@indiabulls.com

BLEU
LIVING
@ WORLI

Clear title land bought in a government auction.

QUALITY | ON TIME

Indiabulls
REAL ESTATE

The tower being pre-launched is part of the overall composite development.

*Conditions apply. The information and materials contained in this advertisement are for reference only and the same are subject to change without notice. INDIABULLS makes no representation or warranty of any kind, express, implied or statutory in this regard.

Others on the Loose

If the government's top internal intelligence agency is to be believed, fallen-from-grace stock broker Ketan Parekh is still active in the market, despite being barred from trading. He is apparently still doing what he did a decade ago — colluding with promoters to rig up stock prices. But Parekh is not the only market operator the Intelligence Bureau is keeping tabs on. A number of lesser-known names are working with company owners to manipulate stock prices. And what is interesting is that not all these operators are brokers — also colluding with them are a clutch of high networth individuals.

An IB report prepared between June and September 2010 details how a Mumbai-based market operator, Vinod Rathod, along with one Syed Zafar, planned to push up share prices of an aluminium company owned by a large industrial house. The plan included fund flows from the promoter to operate the scrip — and in lieu of his services, Rathod was to gift Zafar a Mercedes.

To understand how such rigging works, consider how a cartel in B.K. Goenka group company Welspun Corp operated. After bolstering the scrip to a certain level, the cartel expected none other than Life Insurance Corporation to bite the bait and push it even higher. The operators also take an active interest in news flow and announcements like those regarding dividend payouts. For instance, the IB report claims Rathod, who was active in Hanung Toys & Textiles, advised promoters to push back a dividend announcement to facilitate a placement with institutional investors.

Of course, many take the IB report with an ounce of salt. One is tempted to do so when the report talks about Ketan Parekh rigging stocks like Reliance Industries via front entities. SEBI has used the IB report as fodder to ban Sanjay Dangi. But then you also have to wonder what fate awaits other operators — including one Raju Barter who apparently identified two foreign institutional investors for a promoter of a mid-size company for a private placement — with an understanding to equally divide the proceeds from the sale of shares.

further down in view of its already low price and poor liquidity.

Solution: Create liquidity to facilitate offloading of the promoter's shares. Dangi, according to the SEBI order, placed two buy orders of 100,000 shares each on a single trading day. By resorting to circular trading in the stock, Dangi and some other operators succeeded in pushing the Granules India stock from a low of ₹18 in December 2002 to a high of ₹52 a month later.

At the peak of the bull-run in 2007, SEBI, following investigations over a long period, had first come down on these market operators for their role in allegedly rigging the stock prices of companies like Granules India. Two years later, however, Dangi emerged unscathed as SEBI felt "his order was too low to influence the share price".

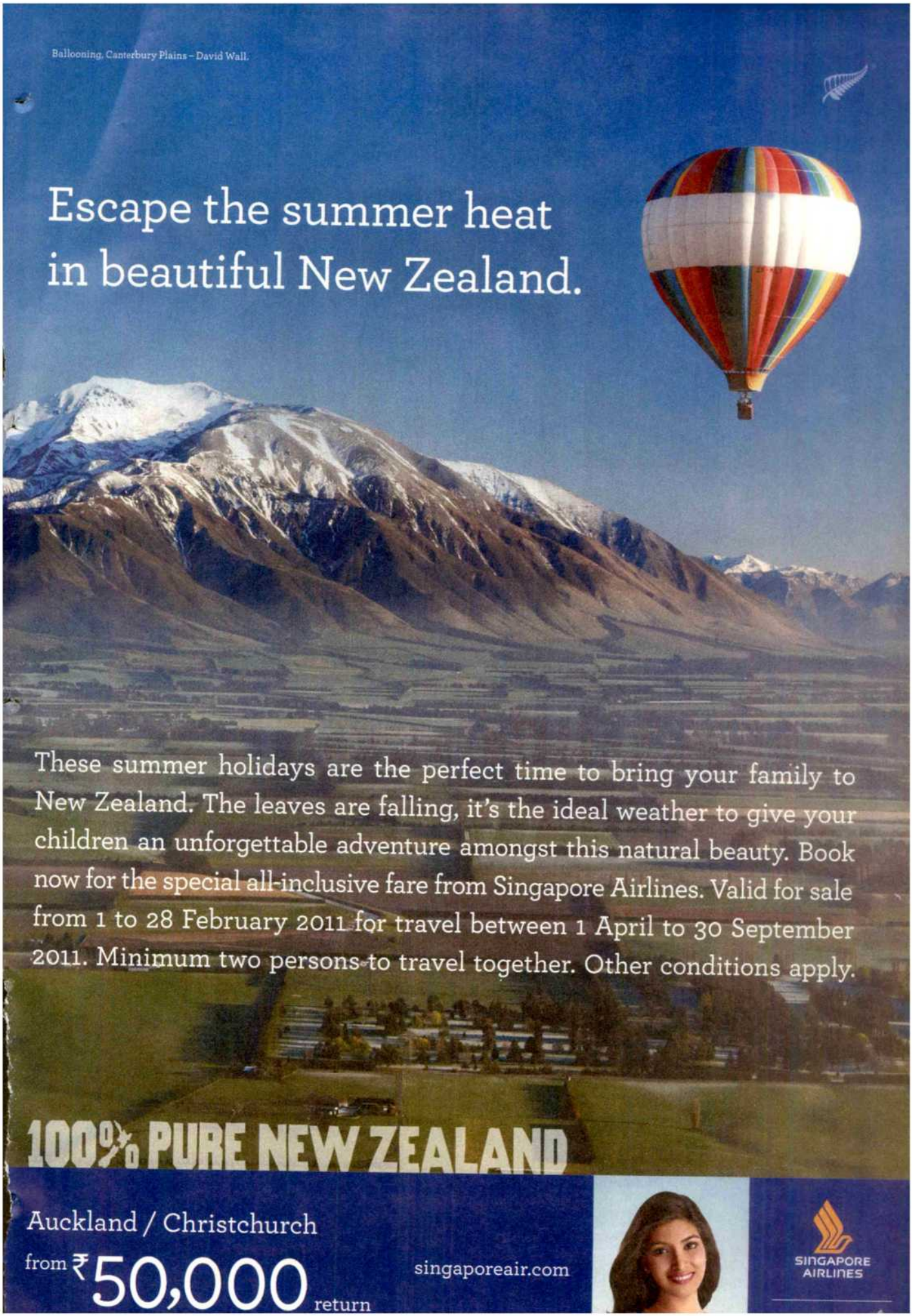
After Granules India — which Dangi apparently boasts to friends was his first major kill — he moved on to other companies. According to SEBI, Dangi operated in their counters via group companies like Sanchay Finvest and Sanchay Fincom. Both these companies have been penalised by the market watchdog over the past five years for manipulating the stock prices of Adani Exports, Gravity India, K Sera Sera Productions, Eltrol and Maharashtra Seamless. Dangi counters that Sanchay Finvest was a company acquired by his brother-in-law in early 2000, and he was just a co-promoter with no say in the company's day-to-day operations.

Like most market operators, Dangi's rise has been from humble beginnings. He arrived in the commercial capital with a B.Com and completed chartered accountancy a few years later. He was soon referred to Anand Jain, one of Mukesh Ambani's key lieutenants. Before he floated his own CA firm, S. Dangi & Associates, Dangi worked for Jain's companies — all from a 400 sq. ft office in Mumbai's Fort area — understanding balance sheets and the ways of the stock market.

Over the years, point out market men, Dangi went on to become a major player in the property market as well, especially in Rajasthan and Mumbai. One of his investment firms, Gold Flag Trading Company, is focused on property, and Dangi has close to 30 per cent of his funds in real estate.

Those who have been watching Dangi's operation say he made two crucial mistakes that botched up the Ackruti transaction. One, he made two subsidiaries of Ackruti stakeholders in another group entity, Ivory Consultants. This was the firm that received Ackruti shares in an off-market transaction from one of the Ackruti promoters. "Such a transaction made the nexus very clear for everybody to see," says an operator. Second, two directors of the Ackruti group were also shareholders in Dangi's flagship Pacific Corporate Services, which again established the nexus. Both the findings are part of the SEBI order.

The success of Dangi's appeal against the SEBI order will decide his fate. Dangi, on his part, has big plans. Speaking on the condition of anonymity, a senior partner at one of the Big Four consulting firms says that Dangi wants to set up a full-fledged non-banking finance company with operations ranging from equity research to distribution of financial products. In fact, a month before the SEBI order, Dangi had hired Accenture, KPMG and PricewaterhouseCoopers to make presentations on the road ahead. For the time being, however, that road is firmly blocked with few diversions in sight. ◆


Ballooning, Canterbury Plains – David Wall.
Escape the summer heat
in beautiful New Zealand.
These summer holidays are the perfect time to bring your family to New Zealand. The leaves are falling, it's the ideal weather to give your children an unforgettable adventure amongst this natural beauty. Book now for the special all-inclusive fare from Singapore Airlines. Valid for sale from 1 to 28 February 2011 for travel between 1 April to 30 September 2011. Minimum two persons to travel together. Other conditions apply.
100% PURE NEW ZEALAND
Auckland / Christchurch
from ₹50,000 return
singaporeair.com
SINGAPORE AIRLINES

A. PRABHAKAR RAO

India connect: Facebook India head Kirthiga Reddy (left) with her team

Millions on the Wall

After adding a million users a month last year, Facebook logs in to mobile and local languages to spread its reach. BY E. KUMAR SHARMA

It is 8.30 a.m. on a chilly January morning, and the silence on the fourth floor of Opus Towers at Mindspace in Cyberabad, part of Hyderabad's IT hub, is broken by a shrill cry: "They are in the lift." The glass door to the main office opens and people rush out with bouquets as loud music plays in the background. They greet and hug a motley group of some 20 young people. What seems like the coming together of long-lost friends is actually Facebook India's way of welcoming its new recruits.

Though it won't share the numbers, the social networking biggie is expanding aggressively to keep pace with the chart-busting growth in the number of people signing up on Facebook here. From 8 million in March 2010, when it announced plans for an India office, its user base has almost doubled to over 15 million today, with a diverse spread — businessmen and students to politicians and institutions. However, comScore, a leading research company that provides marketing data and services to Internet giants globally, gives a higher estimate (see *Net Gain*).

"We do not have specific growth rates or comparisons with other countries, but we have seen tremendous momentum here," says Kirthiga Reddy, Facebook's Director of Online

Operations and Head of India Office.

Now, Facebook wants to build on this momentum and bring into its fold more mobile users and those speaking local languages. In fact, much of its future growth is likely to come from the expanding mobile user base in India. "The cellphone is extremely important to reach out to people as many do not have access to high-speed Internet. We work very closely with our mobile partners to bring the best possible services to our users," says Reddy, Facebook India's first recruit.

The streamlined mobile site 0.facebook.com is free and provides access to basic elements of the Facebook profile. "The robust m.facebook.com, which now includes privacy features that map to the website, is available on most major carriers in India. Some even offer special deals that give users free access for certain periods. People can even sign up for a new Facebook account on their phones," she says.

Reddy will not share the exact number of users who log into the site through cellphones, but it is apparent that there could be a lot of overlap at the moment between those using mobiles and computers. Given the growth in India's telecom sector, the prospect of more users relying on mobiles to access Facebook is quite likely. Reddy says, "There are more than 200 million active users currently accessing Facebook through mobile devices, globally. Compared to non-mobile users, people who use Facebook on phones are twice as active."

In a country with over 600 million cellphone users, that is good news for Facebook. Dittoes Rishtee K. Batra, Assistant Professor of Marketing at Indian School of Business in Hyderabad, an active user of Facebook: "I tend to use the mobile version more often because it provides me with quick links and gives me what I need. It is a lighter version and more basic, but that is fine as it is more user-friendly."

The Palo Alto, California-headquartered company, whose CEO Mark Zuckerberg is the subject of a movie that topped the recent Golden Globe awards, is as upbeat on Indian languages. The site is available in Punjabi, Tamil, Telugu, Hindi, Gujarati and Bengali, via Facebook's Translations application. Most of the action on Indian languages took place over the last 12 to 18 months. The application, launched in 2008, is open for additional Indian languages, including Marathi, Kannada and Sanskrit, and is available in over 70 languages globally.

For Internet, online media and other companies, this has been the holy grail for long — how to crack into a market for India's huge regional language-speaking population. With around 422 million Hindi speakers, followed by 83 million Bengali and 74 million Telugu speakers, as per Census 2001, the regional language market has been uncharted territory for online media so far. And the number could have only gone up in the last 10 years.

Clearly, any move to a languages medium will also mean building platforms that can handle issues of support and readability. "Our basic philosophy is to make the site easy to use so that users really do not need help," Reddy says. Although Facebook's help centre translations do not include Indian languages yet, it is likely to happen eventually. To exemplify the user enthusiasm for the language platform, Reddy points out when Facebook opened up for translation in French, "our French-speaking users translated the site within 24 hours!" There is a similar kind of excitement here. "India has been receptive to the language tool with thousands of users contributing to the translation process."

Reddy also suggests that Facebook is working actively on encouraging developers to come up with new applications. "India's innovative and tech-savvy environment inspires us to invest heavily here, from working closely with mobile carriers to create streamlined Facebook applications, to sponsoring a developer contest." The contest, held in July 2009, resulted in a platform that allows third-party developers to develop and post applications on Facebook for developers across the world. Facebook has no data to share on the number of applications developed so far, but while calling for entries for the event, it claimed: "Facebook would become the first social networking site to showcase apps in Hindi as it calls for entries in English and Hindi to showcase web development skills in two categories of Facebook apps and Facebook Connect Integrations."

> "It is a site that users are making their own and are at the forefront helping others use that site in that particular language"

FOCUS AREAS FOR FACEBOOK IN INDIA

LOCAL LANGUAGE:
Available in Punjabi, Tamil, Telugu, Hindi, Gujarati and Bengali. The translation application is open for multiple additional languages like Marathi, Kannada & Sanskrit. User-driven

CELLPHONE USERS:
0.facebook.com is free and provides access to basic elements. m.facebook.com includes privacy features that map to the website is available on major carriers in India

FOR DEVELOPERS:
Sponsoring a Developer Contest. A Developer Garage and the first Facebook Developer Contest in India was hosted in 2009

ADVERTISERS:
Partnerships with agencies to reach out to newer advertisers. Collaborating with The Nielsen Company to measure the effectiveness of Facebook campaigns. The pilot has been undertaken for a social developmental organisation called Travel Another India, which aims to promote responsible tourism

Playing along: ibibo's Rahul Razdan in his office

MONEY SHARMA

But Facebook is not alone and its rivals in India are not sitting quietly. "The way forward for social networking sites lies in differentiating and impacting people's lives," says Rahul Razdan, President, Products and Operations at ibibo, short for "iBuild, iBond", a social networking site. ibibo, too, has active plans on languages. "By March, we will have the site in half a dozen Indian languages," says Razdan, while claiming ibibo currently has 12 million active users.

Facebook could face resistance from another quarter: Orkut, the social networking site operated by Google. (Orkut has its largest following in India and Brazil, with no significant presence elsewhere.) "A large number of users are from Tier-II and Tier-III towns — they use the various localisation features on Orkut like transliteration for writing scraps (you type in English and it appears in Hindi), or even use Hinglish in English characters," says Nikhil Rungta, Country Marketing Manager, Google India, adding Orkut is the top term on mobile searches from India.

Or, take mig33, which describes itself as the first global mobile social network. The business model is around virtual economy and users pay for playing games, sending virtual gifts and other services. "mig33's business model is modelled around China's QQ Tencent and Japan's Mobagateown, which are multi-million dollar companies. India is one of the largest markets for mig33 and has shown prospects for growing even bigger," says its India operations head Mohit Gundecha. The company is building applications on mobile platforms like Mediatek and Android.

So what kind of advertising are Facebook and its competitors targeting on their language platforms? ibibo's Razdan feels it will be local media content entities, for instance, advertisements for local language TV programmes or promotion of local films. He also feels social media sites can target telcos with pan-India presence that want to reach out to new users in local languages. Local advertisers like hair-stylists, cellphone retailers and music stores, who tend to advertise in vernacular newspapers, say they want to wait and watch before taking any decisions. "I will opt for it if it helps me to grow," says M Balu Chowdary, Chairman and Managing Director, Big C, a Hyderabad-based mobile retail chain, "but for that I first need to see and evaluate its success." A bigger need that Facebook would like to deliver. ◆

NET GAIN

INDIA	TOTAL UNIQUE VISITORS (in thousand) Nov 2009	Nov 2010	% Change
Total Internet: Total audience	36,535	41,169	13
Social networking	25,241	35,773	42
Facebook	11,243	27,140	141
Orkut	17,496	17,757	1
Bharatstudent	3,969	4,025	1
Linkedin	1,776	3,849	117
ibibo	1,978	3,646	84
Zedge.net	2,207	3,556	61
Twitter	1,573	2,738	74
Yahoo! Pulse	N.A.	2,539	N.A.
Yahoo! Buzz	730	1,831	151
Zorpia	354	1,277	261

Audience: All above 15 years of age at home/work/locations Source: comScore

VISIT

PU TECH 2011

Polyurethane Exhibition & Conference - India

9 to 11 Mar 2011. India Expo Centre. Greater Noida. New Delhi

the polyurethane technology event for emerging indian market

GROWTH ASPIRATIONS WITH GREEN INSPIRATIONS!
@ PU TECH 2011 INDIA

9-11 MARCH 2011
INDIA EXPO CENTRE
GREATER NOIDA. NEW DELHI

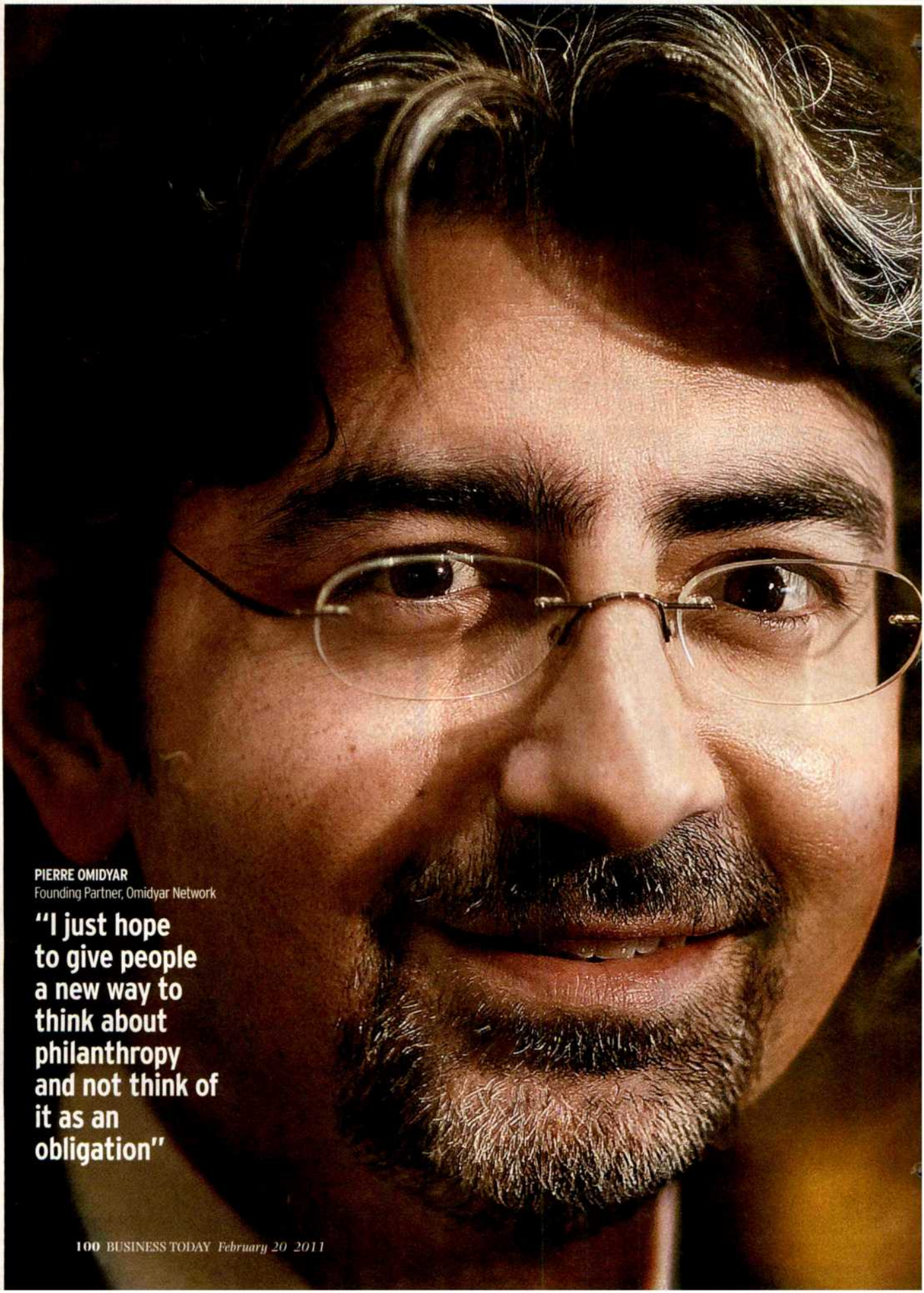
Organised by:

Indian Polyurethane Association
Flat 7, III Floor, Shakti Mahal, New 24, Old 41, First Main Road, CIT Colony, Mylapore, Chennai 600 004. INDIA
Ph/Fax: +91-44-2499 5923 H/P : +91 94440 55923, Email : admin@pu-india.org URL : www.pu-india.org

Event Manager:

UnitechExpo

Unitech Exhibitions Private Limited
338, 1st Main Road, Nehru Nagar Industrial Estate, OMR,Chennai - 600 096. INDIA
Ph: +91 44 24543322 / 23, Fax: +91 44 24543321, Email: info@unitechexpo.com URL: www.putechindia.com



PIERRE OMIDYAR
Founding Partner, Omidyar Network

"I just hope to give people a new way to think about philanthropy and not think of it as an obligation"

On the Road Less Travelled

Bay founder Pierre Omidyar views his philanthropic investments through the bi-focals of for-profit and sustainability, an idea that seems compelling. BY SHALINI S. DAGAR

The weather was pleasant on the first working day of the new year. Representatives from a motley selection of 14 organisations, both for-profits and non-profits, got together to share experiences at the Trident in the Bandra Kurla Complex in Mumbai. On the surface, there was perhaps little in common between the universe of Pratham, India's best known social organisation focused on education, and D.light Design, a Silicon Valley firm making solar lamps. Yet, they were together for the simple reason that they had a common funding agency in Omidyar Network (ON), a philanthropic investment firm founded by Pierre Omidyar, founder of Internet company eBay.

As the day unfolded, the participants mingled and managed to spot some natural allies. For instance, Mandeep Singh, Managing Director, D.light Design, was happily thinking of using the services of organisations like Pratham to popularise his lamps in rural non-electrified areas.

And there were others who found synergies. This synergy was not altogether spontaneous; there was a method to it. And that stems from the personal philosophy of the Omidyars — Pierre and wife Pam — who were present at the event, called ON Haat, in Mumbai. After having experimented with a host of ways to give, they have favoured a mix of philanthropic not-for-profit grants and equity-based investments in enterprises which have a significant social impact.

ON follows this philosophy quite literally. It houses both for-profit and non-profit investments of the Omidyars (See *The Omidyar Network*).

VIVAN MEHRA/www.indiatodayimages.com

And the firm itself is organised along the lines of a partnership firm akin to a venture capital firm rather than as a hierarchical traditional foundation. "It is about philanthropy which is much more engaged and which uses all the tools in the box. I just hope to give people a new way to think about philanthropy and not think of it as an obligation necessarily... as only giving to charity," says Omidyar.

Omidyar brings his formidable financial clout to the argument. His personal wealth, at last count, was estimated in excess of $3 billion. And the Omidyars have pledged to give away a large share. Though the family may have invested close to a billion dollars in philanthropy, ON's share has been around $400 million so far.

The Omidyars are agnostic to causes — unlike typical US foundations. They take their money where they believe they can create opportunities for people. That spreads them across fields as diverse as renewables and government transparency.

In India, the network has invested nearly $70 million (₹322 crore) since 2004 and hopes to scale it up to $200 million (₹920 crore) in the next five years. The logic is simple: India is unique because it has a large absolute number of smart, educated individuals beside extreme social deprivation. Hence, Omidyar expects to see unprecedented social innovation here.

And for Indian companies used to peddling the argument of inappropriate tax structures for lack of appropriate efforts, he has a rather unique take. "I think it is sort of disingenuous to say that I would be more generous if the tax structure was more beneficial. Where the tax structure does come in is at the individual level for the middle class. But if you are wealthy and you are motivated to be generous, tax structure is irrelevant."

In fact, that is the structure ON follows, thus relinquishing tax benefits. Omidyar is intrigued as to why the equity-based model is not followed more often. As founder of eBay, Omidyar's faith in the power and efficiency of risk capital is firm but not blind. He is quick to concede that there are areas where markets simply cannot reach — perhaps due to the nature of the problem or the stage of development of the sector. No wonder then, his philanthropy has tilted in favour of grants so far.

"However, we are very careful in ensuring that when we make grants we are not displacing the for-profit funds in the sector," he says.

Managing Partner Matt Bannick says typically the firm is not dogmatic about the approach. It focuses on the problem rather than the structure. Depending on the problem at hand, it has done both kinds of funding — hence the epithet of "flexible capital".

According to Jagdeesh Rao, Executive Director, Foundation for Ecological Security, which works to enable village communities to improve governance of common resources, ON has a fundamentally different view from other philanthropic organisations. Rao should know. He has been hunting for funds quite actively in the last decade. "ON funds are almost as good as your own money," he says. ON invested $2.1 million (₹9.6 crore) in Rao's organisation, thus becoming its

The Omidyar Logic

- Believes in flexible capital approach – a mix of grants and risk equity
- Does not care about tax breaks; houses both for-profit and non-profit investments in the same corporate structure
- Invests heavily in people even in non-profit investments
- Believes in the power of markets, but still has a larger proportion of its investments in grants
- Plans to wean away the organisations even in grant-based involvement

DEEPAK G. PAWAR/www.indiatodayimages.com

SWATI RAMANATHAN, Co-founder, Janaagraha, and Chairperson, Indian Urban Space Foundation

"We expect the ON connections to help us find the right people especially on the technology side"

Smarter business for a Smarter Planet:

What 1.3 million transactions per second means to this car.

It means the likely buyer of this car has already been pinpointed. Acxiom, a global leader in marketing services and technology, is working with IBM to help 9 of the top 10 car manufacturers, as well as companies in every major industry, to efficiently mine over 7,000 databases to give them deep insights into their customers. The IBM System x® with Intel® Xeon® Processor 7500 Series forms the core of the solution, allowing Acxiom to consolidate 9,360 disparate systems into a mere 264 eX5 systems without sacrificing performance. A smarter business is built on smarter software, systems and services.

Let's build a smarter planet. **ibm.com/car/in**

IBM

Data visualisation showing propensity of different groups of people to buy specific models of cars.

intel Xeon inside

Powerful. Intelligent.

The client example cited is presented as an illustration of the manner in which this client has used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics will vary depending on individual client configurations and conditions. Contact IBM to see what we can do for you. Acxiom Corporation is the provider of the data simulated for the purpose of visualisation of the performance of client's products/services. No actual consumer or business information was used as part of such simulated data. IBM, the IBM logo, ibm.com, System x, Smarter Planet and the planet icon are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at www.ibm.com/legal/copytrade.shtml. Intel, the Intel logo, Xeon and Xeon inside are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries. © International Business Machines Corporation 2010. All rights reserved.

The Omidyar Network

Has invested $70 million in India since 2004

Plans to scale it up to $200 million over the next five years

PRS LEGISLATIVE RESEARCH Seeks to strengthen the legislative process in India by increasing information flow, transparency and citizen participation

ELEVAR EQUITY: Is a growth equity investor focusing on underserved markets in emerging economies

QUIKR: Addresses the needs of local communities in 40 cities across India by connecting people through the Internet

J-PAL SOUTH ASIA: Works to provide scientific evidence for development programmes, building local capacity and ensuring policy impact

MICROSAVE: Assists financial institutions in Asia and Africa in serving low-income markets

PATH: A non-profit organisation that attempts to enable communities to break long cycles of poor health

SMALL ENTERPRISE ASSISTANCE FUNDS: Aims to invest in companies operating in underserved communities

The above list is only indicative, not exhaustive

RACHIT GOSWAMI

Team ON: The Omidyars (centre) with other members

third-largest donor. There is already talk of a second round of funding by 2012 of $8 million (₹36.8 crore).

Unlike other philanthropic organisations, ON does not come with a project-centred approach. Rather, it enters with the intention of building institutions. The two main requirements are: the organisation should fit into the ON portfolio and be scalable.

Swati Ramanathan, Chairperson of the Indian Urban Space Foundation and co-founder of Janaagraha, an NGO working on urban quality of living, says the benefit of ON comes from its disciplined funding. In Janaagraha's case, while $3 million (₹13.8 crore) was given for three years, a third of the funds is for unrestricted use, while another third is tied to achievement of pre-determined metrics and the final third portion depends on the ability of the organisation to raise at least twice as much from other sources.

MATT BANNICK, Managing Partner, Omidyar Network

"The role of equity-based capital in socially impactful businesses is important"

This, according to Jayant Sinha, Mumbai-based Partner, ON, ensures that the organisation makes the most of the network's money — leveraging to raise more funds and building fund-raising capacity. And, like a venture capital firm, this also ensures there is an exit built into the investment. As a proportion of overall funds, ON's contribution tapers over its period of investment.

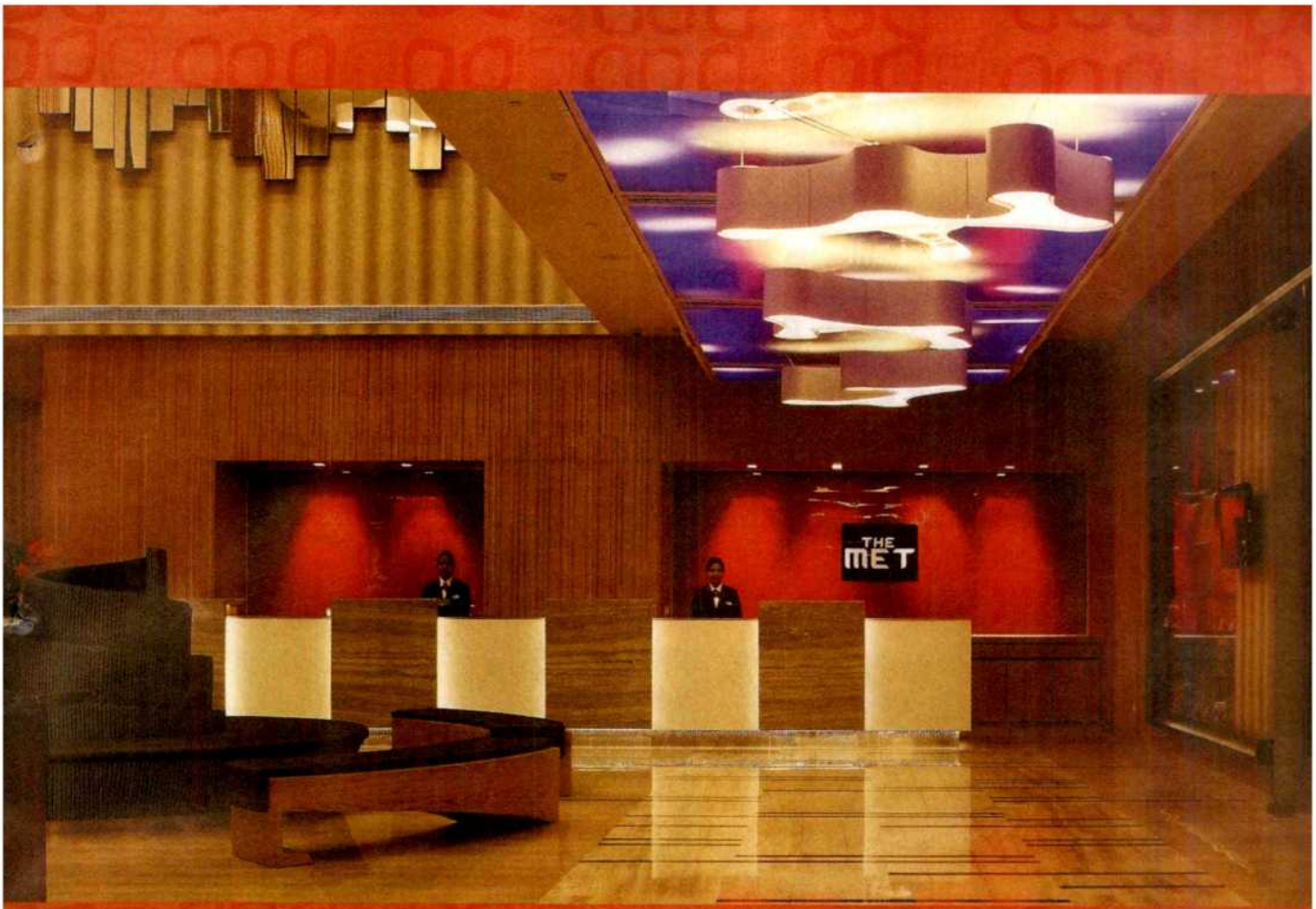
For the investee companies, the connections that ON brings are a major benefit. For example, D.Light Design immediately found a ready distribution network channel that it could tap at the ON Haat in Pratham and other participants. Others have benefited from the emphasis on people. For instance, Ramanathan points out that though Janaagraha has managed to attract goodwill and talent, it still struggles with technology and application development and ON should be able to help.

In all this there is an extreme, cynical view as well. India is the market of the future. Is it then a surprise that anybody philanthropic or profit-making will not want to be in India? Amalendu Pal of Partners in Change, an organisation that tracks philanthropy, says, "Money invested in India's growing market will give returns several times over."

Yet, equally important is the impact that any intervention has on the society. Omidyar himself does not think less of philanthropy that is driven by "enlightened self-interest". It is the result that matters. And that is more than zero, in his view.

Still, Omidyar probably needs large doses of tenacity, patience and a good reality check as Anurag Behar, co-CEO of the Azim Premji Found- ation, points out: "Society is far more complex than business."

Omidyar, hopefully, is up to the challenging task in India. ◆



LIVE MET SMART

Welcome to THE MET - the future of hospitality. Innovative design, modern technology and eco-friendly practices have been enhanced with new ideas and bright insights. Enjoy luxury with a conscience at our smart new avatar.

THE METROPOLITAN HOTEL

Bangla Sahib Road, New Delhi - 110001, INDIA
T : +91 11 42500200 E : info@hotelmetdelhi.com
www.hotelmetdelhi.com

Missionary Zeal

After signing on half a million rickshaw-pullers, Irfan Alam's SammaaN moves to a for-profit model. BY TASLIMA KHAN

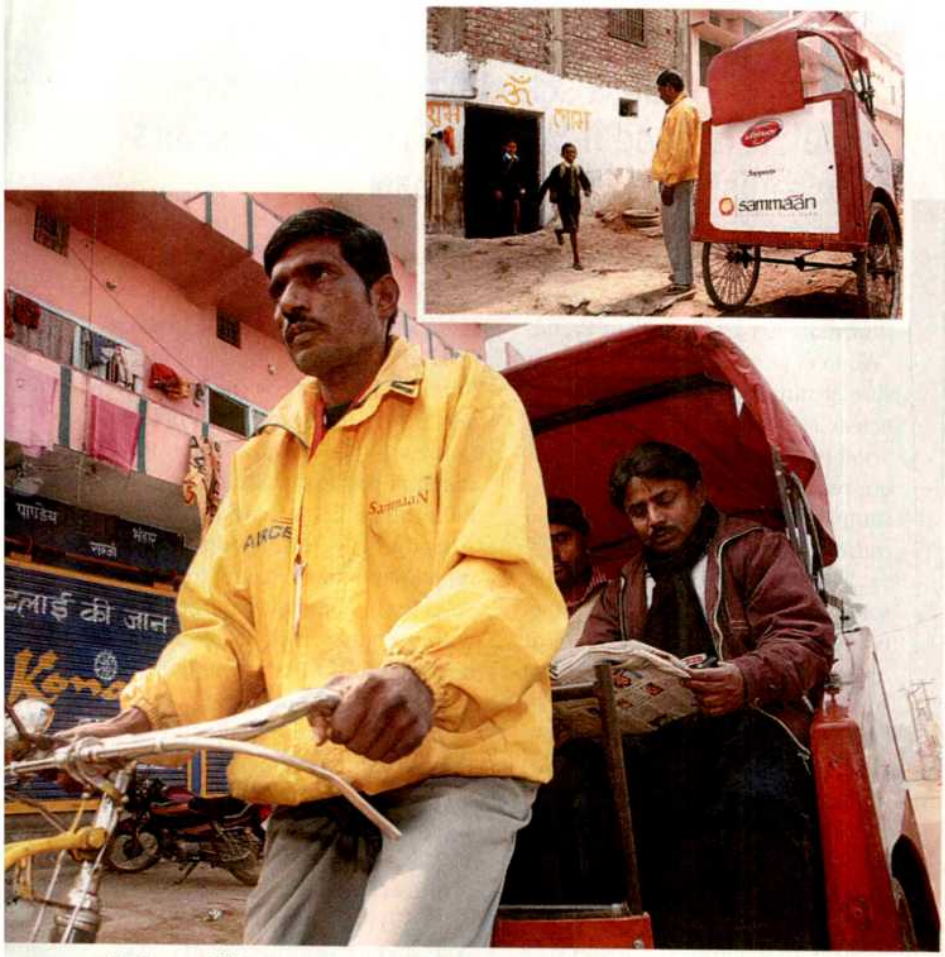
PHOTOGRAPHS BY MONEY SHARMA

Irfan Alam doesn't like to be branded a social entrepreneur but his SammaaN Foundation is improving the lot of half a million rickshaw-pullers in the country. "I am often termed a social entrepreneur but actually I want to be seen running a professionally managed, profit-oriented enterprise," he says.

To understand Alam's point here one needs to go back to 2007 when it all began. Alam, an MBA from Pondicherry, devised an innovative plan that would not just help transform the lives of rickshaw-pullers in Patna but would also be profitable for his outfit. Then, two members of his small team, an IIT Kanpur alumnus and a professor at the Delhi School of Architecture, designed spacious and comfortable rickshaws, which were sold or given on rent to rickshaw-pullers. These rickshaws peddled other services such as soft drinks, mineral water, newspapers, mobile recharge, courier collection and first aid to their customers, carried advertisements of local brands on the side, front and back panels, and offered pre-paid service as well.

What started as a small venture with a hundred rickshaw-pullers in Patna has now spread across 30 cities in Bihar, Uttar Pradesh, Madhya Pradesh and Jharkhand. Rickshaw-pullers enlisted with the foundation claim their standards of living have improved. "Earlier, I could hardly make ₹150-200 per day. I joined SammaaN three years ago, and now earn twice as much. I can now conveniently pay the EMI for the rickshaw loan," says Rajiv Kumar, a Patna-based rickshaw-puller in his early 40s, who has enrolled his ten-year-old son in a private school. Besides, Alam points out, many of these rickshaw-pullers now live in one-room rented tenements instead of night shelters, have bank accounts, and accident and medical insurance. "You will soon find them approaching banks for loans to finance television sets, refrigerators and other products," he adds.

Encouraged by the response to his foundation's initiatives, Alam launched a for-profit company, SammaaN Ventures Ltd (SVL), in



Making a difference: (from left) A SammaaN Swasthya medical camp; Alam, on a SammaaN rickshaw; and (top and above) SammaaN rickshaws in Patna

August 2010 to spearhead the projects. SVL will also serve as an alternative distribution channel for FMCG, pharma and housing finance companies, among others. These companies will now be able to sell their products to an entire community of rickshaw-pullers through SVL. The rickshaw-pullers, in return, will get products and services at a discounted rate. SVL will initially focus on Patna and gradually spread to other cities where SammaaN has a presence. "I haven't created this market, it already existed. Just as America existed even before Columbus discovered it," grins Alam.

Already, SVL has launched SammaaN Swasthya — a project to deliver quality health services at an affordable cost to its members. "We will work as aggregators of services from doctors, pharma companies and test labs, and sell to this community at less-than-market price," says Alam.

So how does it really work? A volunteer from Patna Science College identifies neighbourhoods in Patna that are inhabited by the rickshaw-pullers, and health camps are organised in these areas for them and their families. SammaaN charges ₹10 to 20 per person as registration fee for health checkups at the camps. So far SammaaN Swasthya has organised 20 health camps for rickshaw-pullers and enrolled over 30 doctors, with the majority coming from private hos-

THE STORY SO FAR ...

- Irfan Alam launches SammaaN Foundation to help poor rickshaw-pullers
- Redesigns rickshaws with help from an IIT alumnus and a Delhi School of Architecture professor
- Gets rickshaw-pullers to offer other services such as newspapers and mobile recharge
- The foundation takes a small cut from the income of rickshaw-pullers as its profit
- SammaaN now has operations in 30 cities across India
- Over 500,000 rickshaw-pullers now enlisted with it

... AND THE ROAD AHEAD

- Alam launches for-profit company SammaaN Ventures to spearhead projects
- It now offers cheap healthcare services and housing finance to rickshaw-pullers at a nominal fee
- Alam hopes to spread operations to 50 more cities
- SammaaN Ventures is planning to raise funds from VCs and high-net-worth individuals
- Alam plans a similar venture for autorickshaw-drivers

VINEET RAI, Founder, Aavishkaar Venture Capital

"We like to assess scalability of the business model. It is good if 500,000 rickshaw-pullers have registered with SammaaN"

pitals or being private practitioners. The average cost of organising these camps is easily recovered from the registration fee.

SammaaN Swasthya has so far confined its services only to Patna. It sources medicines for the health camps from doctors who are asked to give away their free samples and also from pharma companies like Astelead Life Sciences, Alchem, Sol Pharma. But knowing well that it cannot depend on the donations of medicine companies for long, SammaaN has plans in place to make it an attractive business proposition for the doctors and the pharma companies. When a doctor enlists with SammaaN Swasthya, he renders his services at a 20 per cent discount, but, in return, is compensated by the sheer number of patients. At each health camp, the three or four doctors on duty get to see 30 to 40 patients each.

Pharma companies, too, may find the proposition viable. They can sell their medicines to SammaaN at the same rates they give their distributors and also reap the benefits of volume. In fact, Alam says SVL gives pharma companies an opportunity to do away with intermediaries like medical representatives, thus saving costs. SVL can sell these medicines at less than the maximum retail price and make a small profit in the process. Says Ashok Chaudhary, Astelead Pharma's Area Manager in Patna: "We look at it as a sales promotion strategy and increased consumption across a large base. SammaaN is just another dealer for us, yet increases our reach manifold. I believe the free samples we give to doctors should rather be given to SammaaN."

Though SammaaN Swasthya is yet to make profits, Alam is optimistic. "We are self-sustainable without any outside help like grants," he says, adding: "We are operating on a low scale right now. But once we are able to replicate the model across 30 more cities (planned for 2011) with at least 10 health camps a day, we will make profits." SammaaN Swasthya hopes to turn profitable by the end of this financial year.

Low-cost housing is also on SVL's agenda. It is exploring tie-ups with local builders to develop houses priced at ₹2 lakh for SammaaN members, having already identified land in places like Patna and Gaya. SammaaN will assist members in getting credit from banks and sell houses to the rickshaw-*wallas* for a nominal profit. SVL also proposes to help the banks in loan recoveries. Already, daily installments towards repayments of rickshaw loans are collected by SammaaN and deposited with the banks. A similar model can be worked out with the banks for repayment of housing loans.

Funding these projects until they become commercially viable remains a big challenge for Alam. Debt is costly and equity funding has also been hard to come by with venture capitalists looking the other way. Vineet Rai, Founder of Aavishkaar Venture Capital, says, "Before signing the cheque we like to check for a strong management in place and scalability of the business model. It is good if 500,000 rickshaw-pullers have registered with SammaaN Ventures but here we would do our due diligence." Alam concedes that it is not a hugely profitable business model with quick returns. "I am looking at some high-net-worth individuals instead for equity funding," he says.

Still, Alam is upbeat about the future and is getting ready to launch his new project for autorickshaw-drivers. SammaaN has about 3,000 autorickshaw-drivers in Pune, Mumbai and Chennai enrolled with it and plans to extend the model it has put in place for rickshaw-pullers.

It certainly looks like it is going to be a long haul for Alam, but that should not deter this man on a mission. ◆

HOW SAMMAAN VENTURES MAKES PROFITS

Manufacturing rickshaws
Sells at a margin of 8 to 10 per cent

Advertisements on rickshaw panels
Takes a cut of 50 per cent

Value-added services
A 10 to 15 per cent profit share

From banks
A nominal fee for the know-your-customer process

PLAN KAR KE CHALO

DEFINED BENEFIT ENDOWMENT PLAN

UIN: 142N023V01

- Premium Payment term – 5, 10, 15 & 20 years
- Income Tax benefits* on premium as well as on defined monthly benefit
- Goodwill Terminal Benefit

REGULAR TAX FREE* MONTHLY BENEFIT

FOR 15 YEARS

Available through branches of

- Bank of India • Union Bank of India
- Narmada Malwa Gramin Bank
- Aryavart Gramin Bank • Jharkhand Gramin Bank
- Wainganga Krishna Gramin Bank
- Baitarni Gramya Bank • Rewa Sidhi Gramin Bank
- Kashi Gomti Samyut Gramin Bank

Star Union Dai-ichi
LIFE INSURANCE

A joint venture of

Bank of India | Union Bank | DAI-ICHI LIFE

Trademark used under licence from respective owners.

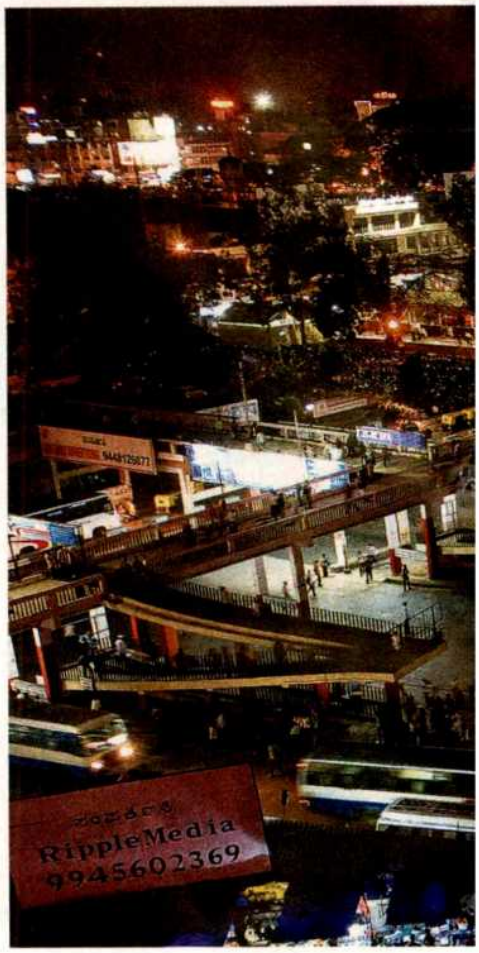
Sunahra Kal, Suraksha Har Pal

*Subject to applicable tax laws. Insurance is the subject matter of solicitation.
For details please refer our sales brochure. URN No. SUD/10-11/07 Eng

Visit: www.sudlife.in | Call: 022 3954 6300

Cruise Control

Bangalore's once-rickety bus operator is today a role model for the sector. BY K.R. BALASUBRAMANYAM



In October last year, Bangalore Metropolitan Transport Corporation, or BMTC, teamed up with Google Maps to make its routes and schedules available to commuters via mobile phones. "In early 2010, we put Delhi Metro on Google Maps but BMTC became the first Indian bus service to come on our platform," says Manik Gupta, Product Manager for Google Maps.

For BMTC, Google Maps is not a stunt: the only profitable city transport operator in the country is on a technology trip. S.Z. Pasha, Managing Director, says swipe cards are next. "We have modernised our fleet and are now building traffic transit management centres to integrate transport facilities and reduce congestion on roads," says Pasha.

Over the past seven years, BMTC has set two benchmarks for its peers. It was the first to introduce an air-conditioned service (in 2003) and Volvo buses on intra-city routes (2006) — a welcome break from groaning buses-on-truck-chassis that still make for the bulk of fleets in India.

It has not been a smooth drive for BMTC, though. In the mid-1990s, Bangalore's transport system was synonymous with labour unrest and losses. That changed in 1998, when the government created BMTC by carving it out from the Karnataka State Road Transport Corporation. Within two years, BMTC's engine was humming sweetly. It had improved employee relations with a mix of firmness and good pay packages. Senior drivers now draw a monthly salary of ₹30,000-35,000. Every driver and conductor gets 1.5 per cent of the collection of their bus.

Services were also rationalised. In 2006, the non-profit Public Affairs Centre ranked BMTC as the No. 1 utility in the city in a survey of public perception, with 97 per cent of the respondents expressing satisfaction.

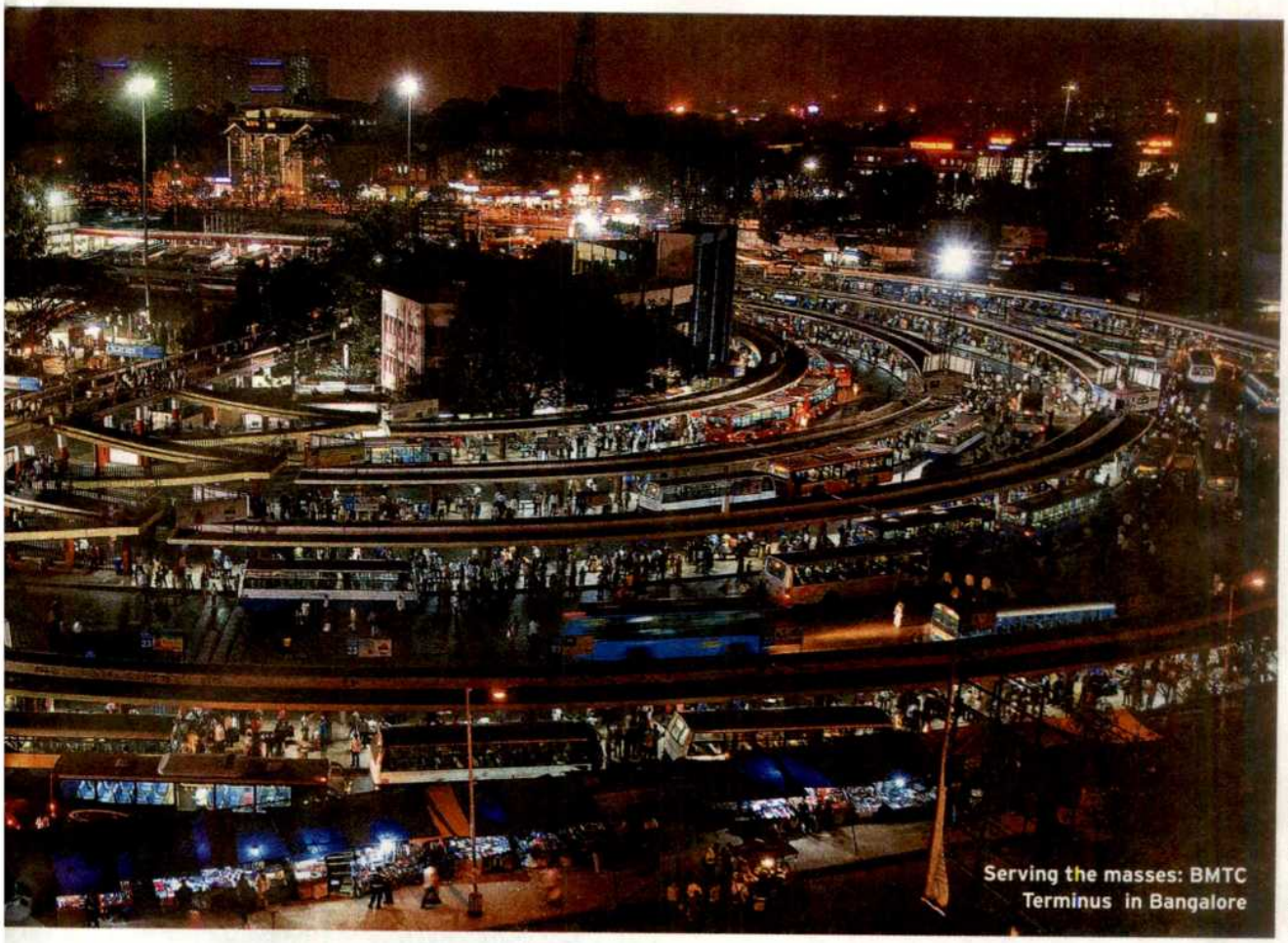
The 471 Volvo buses in the BMTC fleet of 6,122 offer the predominantly middle-class population somewhat of a luxury ride for a premium. The Volvo fares start at ₹10, against ₹4 for the ordinary service.

"Among the urban transport systems, BMTC is very forward looking and open to moving away from established business models," says Akash Passey, Managing Director of Volvo Buses India.

While increasing the fleet size from 4,606 buses in 2007, BMTC ensured that the staff-to-bus ratio stayed low — at 5.6 it is the lowest among India's transport utilities. Says Passey: "Bangalore is also where the biggest shift from bikes and cars to bus transport has happened in India." One out of six people flying into the city airport uses a Volvo bus for the last mile, according to BMTC. Some information technology companies have chartered BMTC buses to ferry employees. Infosys Technologies alone uses 122 BMTC buses, for instance.

BMTC has also been making profits year after year while its peers elsewhere are battling mounting losses. BMTC ended the year to March 31, 2010, with a profit of ₹65 crore on revenues of ₹1,132 crore; its accumulated profit has risen to ₹625 crore.

The company is now adding office and commercial space in its new projects to build on its non-fare revenue streams. In the financial year to March 2010, non-fare income made up eight per cent of BMTC's revenues. It is also investing in real estate to set

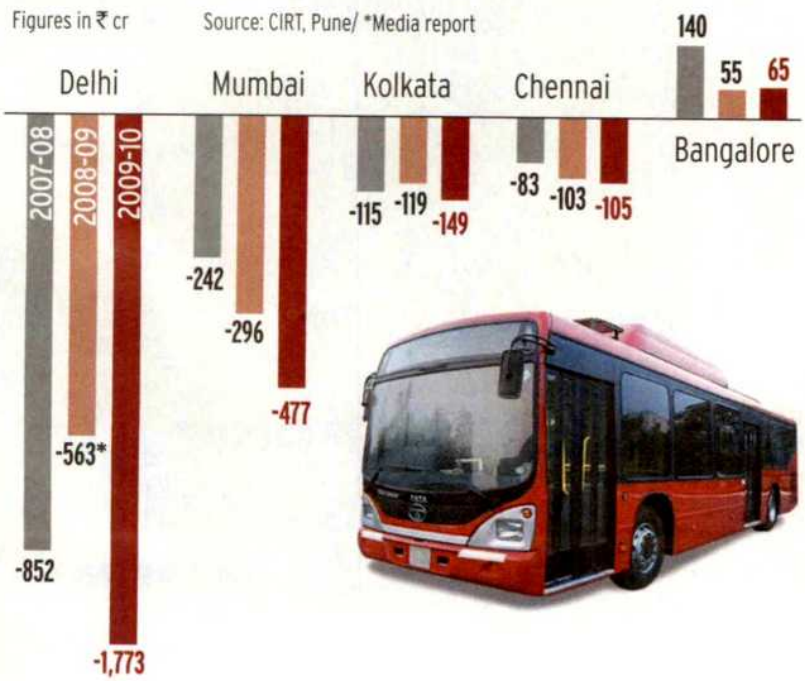


Serving the masses: BMTC Terminus in Bangalore

DEEPAK G. PAWAR

SHOWING THE WAY

BMTC has been raking in profits, in stark contrast to the bus services in other cities



up depots and traffic centres.

Some users say BMTC has put profits before public service with its high fares. But BMTC officials retort that it does not get any subsidy and has to depend on internal accruals and bank loans for capital expenditure. The government pays a nominal amount to cover the subsidised rides BMTC offers to students and physically challenged people among others.

While BMTC has had a smooth ride so far, it is to be seen whether it will remain profitable once Bangalore Metro opens in March-April. The city buses currently ferry 4.2 million people a day, and the Metro is being designed to serve a million plus users. BMTC officials insist that the Metro's reach is limited and it would still need feeder services. Wait and see. ◆

Harvard Business Review
EXCLUSIVE
www.hbr.org

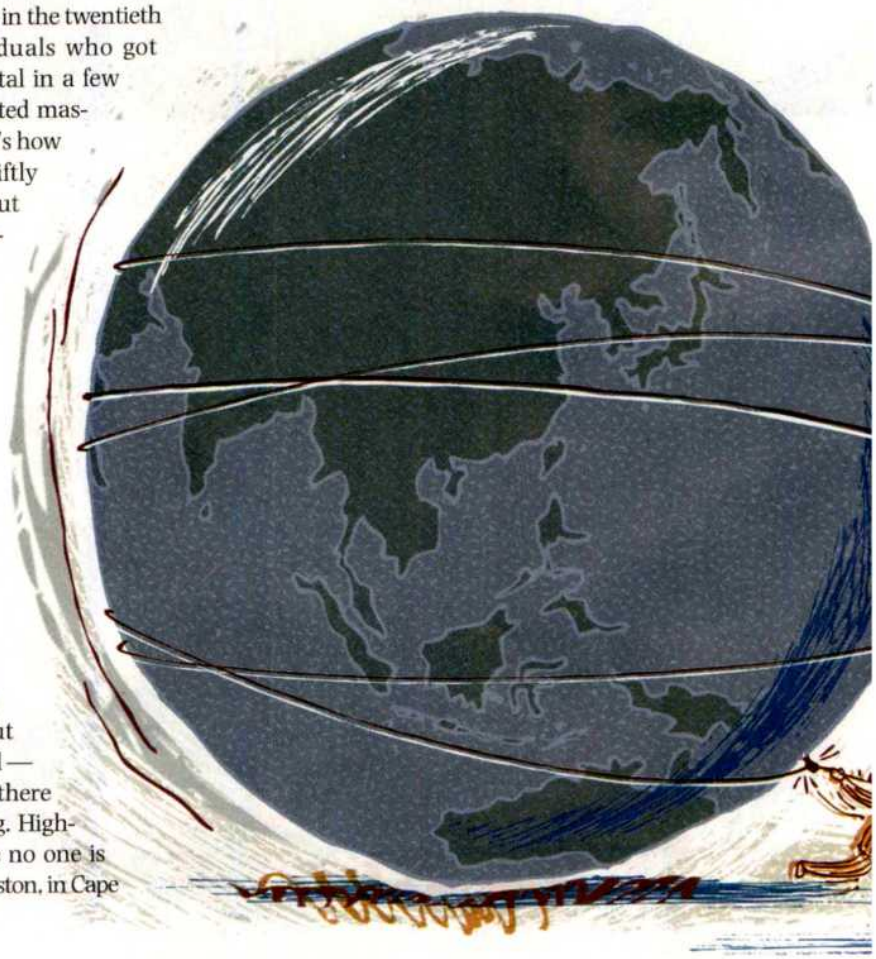
The High-intensity Entrepreneur

World-class entrepreneurs have reached critical mass in some surprising places — and their number is growing quickly. These innovators just might revive the global economy.

BY ANNE S. HABIBY and DEIRDRE M. COYLE, JR.

The story of entrepreneurship in the twentieth century was about individuals who got access to sophisticated capital in a few advanced markets and created massive economies of scale. That's how AT&T, Home Depot, and Microsoft swiftly made their way onto the *Fortune* 500. But in the twenty-first century, a very different story is unfolding.

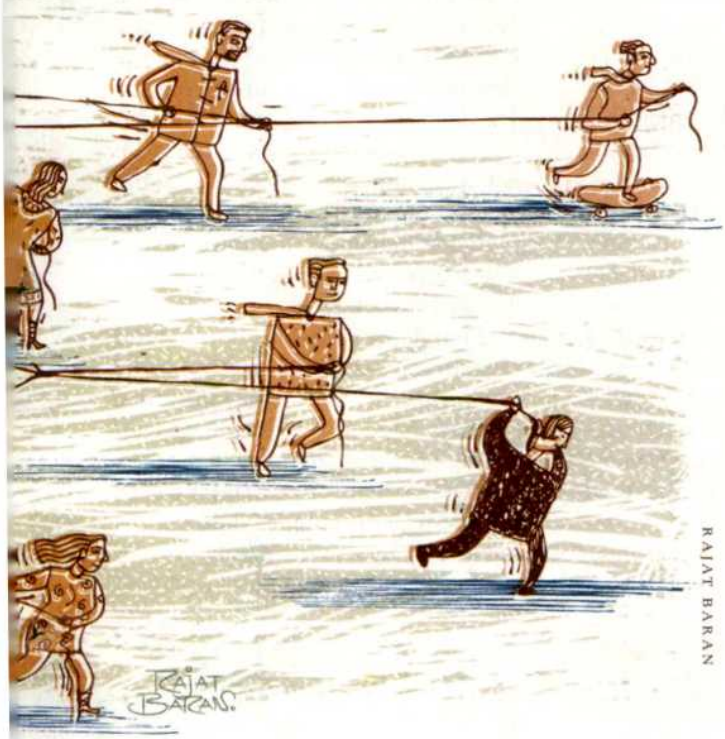
Today entrepreneurs anywhere can create value with relatively little capital. Barriers to entry in almost every industry have come crashing down, opening vast opportunities for small companies. These developments are especially apparent in emerging markets, where we are seeing signs that an entrepreneurial economy is ready to bloom. We have spent the past two years studying entrepreneurship in the Middle East, Africa, and South Asia, and we have found hundreds of world-class ventures poised for significant growth there. Most people's assumptions about entrepreneurship in the developing world — that entrepreneurs either do not exist there or are microentrepreneurs — are wrong. High-potential ventures are surfacing where no one is looking for them — in Beirut instead of Boston, in Cape



Town instead of Silicon Valley — among people who have historically been outside the economic power structure.

What is surprising is that so many of these companies are not in the fast-growing markets the world is already watching, such as India or Brazil. They are cropping up in places like Jordan, Saudi Arabia, and Africa — whose economies have been driven by top-down government policy, large business groups, multinational corporations, and even social elites, such as local royalty. Until relatively recently, such places were thought to have a critical shortage of businesspeople who could build companies.

The ventures that we uncovered in our research generate far more jobs and wealth than typical small businesses do, and they often create new industries or open new markets. They include companies like the UAE's Bayt.com, the leading Middle Eastern job search site, which attracts 4.5 million job seekers; Jordan's Aramex, the FedEx of the Middle East, which has honed its edge by making deliveries to places global distribution companies avoid; Airblue of Pakistan, the first paperless airline in the world, which quickly acquired a 30 per cent share of that country's domestic market; and Meeting Point, launched by Christine Sfeir, who at 22 opened the first Dunkin' Donuts store in Beirut and 10 years later runs 30 stores that, unlike any Dunkin' Donuts you have ever seen, are elegant hot spots for young professionals. These businesses are scaling up at dramatic rates and introducing exciting new product-market combinations. A case in point is Rumman, the first events and publishing company focused on Saudi Arabia's large youth market. Operating with a team of 30 recent college graduates, it has become so successful that brands such as MTV now work with it to market to young Saudis.



Countries that want to play in the global economy need companies like these, which are building and redefining industries that satisfy domestic demand and generate export income — not to mention create employment for the rapidly growing younger population. For multinationals, these ventures can be a path to accessing the new ideas, customers, suppliers, and talent of emerging markets.

The Great Economic Detour: A Focus on Small Companies

The world at large urgently needs to ramp up the pace of job growth and new value creation. According to the World Bank, the Middle East alone must create 80 million more jobs by 2020 just to absorb new entrants to the labour market without lowering living standards. This issue is graver in parts of Africa and Asia, where job creation is imperative to lift millions out of crushing poverty. The question is how to make it happen.

Almost all government economic development and entrepreneurship programmes tend to focus on a wide swath of small- to medium-size firms. To explain this approach, they often quote statistics about how the overwhelming majority of job creation comes from these enterprises. But their broad efforts may be misdirected. In 2009 the Global Entrepreneurship Monitor (GEM), which looks at 54 countries in the emerging and developed markets, concluded that only 14 per cent of all start-ups expect to create 20 or more jobs. The zone for significant job growth is very small — and it is especially hard to find in developing countries that have yet to identify their own entrepreneurial communities.

But those communities are out there, and they have great ambitions. The GEM data, the only global data on entrepreneurship, show that the incidence of entrepreneurship is twice as high in emerging markets as in the developed world. Out of every 100 people GEM interviewed in developing countries, 10 were launching businesses. Four of those 10 firms were "necessity driven" and six were "opportunity driven." In developed economies, only five out of every 100 people were launching businesses, and of those firms, one was "necessity driven" and four were "opportunity driven." Although there are many more necessity-driven entrepreneurs in emerging markets than in the developed world, what is often overlooked is that those markets are home to even more opportunity-driven entrepreneurs.

Opportunity-driven entrepreneurs tend to create

Social Change

PROFILE

Detecting Landmines with Unusual Resources

HeroRats is a site created by APOPO, an organisation that trains giant African rats – which have an acute sense of smell and are common in Africa's battle-ravaged regions – to detect landmines. One of APOPO's most popular fund-raising techniques is its Adopt-a-Rat programme. Donors who adopt a rat for a minimum of €5 a month can track the animal's progress online against training and working milestones. Contributions go towards food, training, housing, and transport for the HeroRats, which at the close of 2009 had helped make 13,12,027 square metres of land safe.

–Rasika Welankiwar

Landmines

larger enterprises, but only a small percentage of them will build high-growth companies — so-called gazelles. Gazelles have a disproportionate impact. They consistently create new products, new supply or distribution channels, and new customers, and generate economic value. But they can be hard to see when they are in the making — especially if they are in markets such as the Middle East and Africa, which are largely unscrutinised by investors, multinationals, and the business media.

Looking for the Market Movers

At the invitation of the Saudi Arabian General Investment Authority (SAGIA), we started our research in Saudi Arabia. The country is arguably one of the most unlikely markets for entrepreneurs; its economy is dominated by the state-controlled oil industry and large family-run business conglomerates. It urgently needs to diversify. When we began, SAGIA and our other partners (the news organisation AlWatan, National Commercial Bank, Siraj Capital, and real estate developer Sukoon International) were hard-pressed to name more than a handful of entrepreneurial growth companies.

Nine months later we announced a list that we call the Saudi Fast Growth 100. These 100 rapidly growing companies had provided audited statements to document their performance and met the same criteria as the Inc. 500 — considered by many to be the gold standard of entrepreneurship. Without the benefit of attention from either the government or the media, these companies had grown an average of 40 per cent a year for three or more years — 10 times the national private sector growth rate — collectively creating 30,000 jobs. They represented a wide range of industries, including IT, telecommunications, media, public relations, publishing, health care, and education. But almost everyone in the country had assumed that such competitive entrepreneurs did not even exist.

More recently, when we compiled fast-growth listings for Lebanon and Jordan, we found a similar base of competitive entrepreneurs. Judging by our initial research for the Arabia 500, we expect to find comparable growth companies throughout the Middle East and North Africa. We have seen a similar pattern in Pakistan and India (starting points for our list of the 500 fastest-growing entrepreneurial companies in Asia) and when compiling the South Africa 100 (the starting point for the Africa 500).

Until now, emerging markets have mostly been seen as sources of new revenue for large Western companies or homes for emerging giants in finance, construction, and the extractive industries. What we have found changes the way we should be looking at the potential of emerging markets. It suggests they are home to a growing community of latent gazelles. In fact, the company founders we encountered there are as sophisticated as their Western counterparts — and, some might argue, perhaps have more potential.

Entrepreneurial DNA. If you took away their national identities, it would be impossible to distinguish entrepreneurs from Saudi Arabia, South Africa, and the United States. (Our American reference point is the Inc. 500.) On paper, entrepreneurs from these three countries look the same with respect to their educational and professional backgrounds. Most of them have undergraduate degrees, and many have master's degrees. Most have five or more years' worth of experience in industry with a top firm like Procter & Gamble, Pepsi, Unilever, Toyota, or HSBC. The average age of the founders at start-up is even the same in each country: 33. Entrepreneurs of all three nationalities form companies in the same new-economy industries and have similar inspirations and mindsets. Most are self-financed at start-up.

Consider Osama Natto, formerly an executive at P&G. At the age of 32 he established Jeddah-based Innovative Business Solutions (IBS), a strategy consulting firm with expertise in markets from Kazakhstan to Casablanca. To raise cash for operations, Natto sold his house and moved his family into an apartment — just as many US company founders do — and since then, IBS has grown 280 per cent a year to reach

revenues of close to $3 million.

Entrepreneurial intensity. One notable characteristic distinguishes emerging-market entrepreneurs, our research shows. They demonstrate higher levels of "entrepreneurial intensity" — a measure we created to capture the volume of successful companies they form. Historically, entrepreneurs we have identified in emerging markets have started 25 per cent more companies than their US counterparts on the Inc. 500 have. The emerging-market start-ups have a higher survival rate, and when asked about their future plans, an amazing 80 per cent of their founders said they intended to launch another business within the next two years.

Entrepreneurs in emerging markets start 25% more companies than their US counterparts do, and their firms have a higher survival rate.

What explains the higher entrepreneurial intensity? In our interviews with more than 100 entrepreneurs, a pattern surfaced. In emerging markets there are many undefended niches to occupy. The other side of the coin is that to grow, new ventures there often have to fill in missing parts of the market. For example, Eye-2-Eye Optical, a high-end eyewear chain founded by a Saudi woman, Aisha Natto, had to create a lens-manufacturing plant to keep up with demand and to tailor products for its stores. Emerging entrepreneurs often have to grow the spaces adjacent to their business — effectively building out the industry cluster — so that their initial company can succeed. And in the process, they become more adept entrepreneurs.

Growth momentum in 2009. Another surprising finding related to performance in 2009, which we looked at in the audited statements of hundreds of ventures from the Middle East, Africa, and South Asia that had grown rapidly from 2006 to 2008. While the global economy contracted 2 per cent, most of these companies picked up their pace in 2009 — in the majority of cases, growing 20 per cent to 50 per cent faster than they had in 2008.

What this suggests is that emerging entrepreneurs' business models have staying power; their firms do not just hang on to the global economy's coat-tails. In fact, they may be uniquely designed to thrive in a new global economy that favours leanly financed, adaptable companies — and could be turning the ability to execute in the challenging business environment of emerging markets into a competitive advantage. Look at Qanawat, a Saudi 100 telecommunications company, which rapidly scaled up to $1 billion in revenue in its first four years by serving rural areas of Saudi Arabia that were difficult to reach and untapped by industry leaders. With that experience behind it, Qanawat is well positioned for a move into Africa and other Middle Eastern markets.

We believe these high-intensity entrepreneurs could be among the gazelles of the emerging markets. They are skilled at identifying opportunities that others do not see and executing amid the uncertainty, scarcity, and risks that characterise the business landscape in most of the world.

Forces for Global Entrepreneurial Expansion

As we look across companies and countries, we see three trends that will accelerate high-growth entrepreneurship in the emerging world.

Migration of talent. Entrepreneurial talent is being distributed around the world as the best and brightest leave the West and return to their home countries to start companies. These entrepreneurs have developed core market skills and international networks while studying and working in the US and Europe. A perfect example is Amjad Aryan, a former CVS executive in the US, who returned to Jordan to launch Pharmacy 1, the country's first drugstore chain, which now has more than 40 stores and is rapidly expanding throughout the Middle East.

A pent-up supply of entrepreneurs. As political and economic conditions relax in emerging countries, and as more entrepreneurs from Africa, Asia, Latin America, and the Middle East become household names, we expect to see entrepreneurship take off as it has done in India and China. Surveys of youths in emerging countries often find that more than 25 per cent of them want to become entrepreneurs.

Relatively low seed-capital requirements. The dearth of banks and venture capital and private equity firms in emerging markets used to be a significant constraint on company formation there. Among firms that have applied to be part of our fast-growth rankings, however, the average first-year investment was $200,000. Most midcareer entrepreneurs have little trouble raising that amount from their own savings or from their first round of customers. The opportunity to

enter industries without significant bank and venture financing has never been greater.

High-Intensity Entrepreneurship Is the Future Growth Engine

The high-intensity entrepreneurs we have come across in our research do not just build companies that scale up quickly from 20 to 200 employees or from 200 to 2,000. They create jobs that develop people. They establish work environments that motivate employees, investing heavily in on-the-job training and providing a wide range of benefits, from health care to profit sharing. Their companies are chronically searching to fill positions and often promote from within to keep their culture strong and reduce hiring and training time and costs.

A good example is Saudi-based SecuTronic, a high-tech security company that grew an amazing 2,500 per cent in five years. It has a flat management structure, according to cofounder Ihab Elsamannoudi. "There is no boss — just 200 entrepreneurs working together," he says. Adds cofounder Jawad Ali: "This creates an energy that benefits the entire company, as well as our clients and shareholders. Behind any leader at SecuTronic there are many trained and prepared mineleaders. This is the only way to grow very fast."

These entrepreneurs' ventures are proficient incubators of other entrepreneurs. Fully a third of the companies we looked at in emerging markets actively supported employees who were creating new companies. One Lebanon 25 company, World of Light & Electricity, has already helped 10 employees launch their own start-ups. And one Saudi 100 winner, the founder of the high-end fashion design house Lomar, worked at another Saudi 100 winner, 3Points Advertising, where he was encouraged to start his own business.

Social Change

PROFILE

Democratising Media

GroundReport aims to break the barriers of censorship and media bias by empowering ordinary citizens to provide "hyperlocal" perspectives on global events. Anyone can publish news reports, opinion pieces, or videos on its website, and its more than 5,000 contributors have provided coverage of events such as the Iranian election protests – offering perspectives that without this outlet would have been stifled by government bans.

–Rasika Welankiwar

Unleashing Next Century of Entrepreneurship

It is time to redefine the relationship between entrepreneurship and the developing world. What holds developing countries back is not a lack of world-class entrepreneurs but a lack of awareness about them, which artificially suppresses growth and keeps value trapped. Building systems to identify growth companies and put them on the economic map will have an immediate impact. When nascent gazelles get on the global radar screen, customers, talent, and global capital come to them. We call this phenomenon "visibility economics". Visibility can give high-potential companies many of the benefits of going public. But without it, they stall out at a small size.

Our research to date suggests that every region in the developing world has a hidden community of potential gazelles. We estimate that after we identify the Africa 500, Arabia 500, Asia 500, Eurasia 500, and Latin America 500, and they gain worldwide recognition, those companies will be able to create one million jobs in five years. But this is just the first installment. The firms on those lists have the potential to be massive-force multipliers, smoothing the way for new industries and inspiring thousands to expand markets as entrepreneurs.

We may be on the verge of a global entrepreneurial heat wave. High-intensity entrepreneurs are beginning to flourish in unlikely places, generating new product-market combinations with unbounded potential. For multinationals and investors, they present immediate channels for growth. For governments and foundations, this new breed of innovators provide the path to progress and prosperity. ◆

Emerging-market ventures are proficient incubators of other entrepreneurs.

Anne S. Habiby and **Deirdre M. Coyle, Jr.** *are cofounders, with Harvard Business School professor Michael Porter, of the AllWorld Network, an organisation in Boston that works to advance entrepreneurship in emerging markets.* *This article was published in* Harvard Business Review, *September 2010.* *Copyright@2010 Harvard Business School Publishing Corporation. All rights reserved.*

With us it's all about convenience

Vijaya Bank offers you convenient and hassle-free services for easy banking transactions

Enjoy the benefits of a wide range of schemes that meet your everyday banking needs

V-Payroll

A truly valued savings account for your hard-earned money

V-GenUth Unnati

Exclusive design for Generation Next

VP
V-Platinum

V-Platinum SB Account

Deposit Scheme with attractive add-ons to the Savings Bank customers

Pan India presence of **1185 branches** and more than **500 ATMs**

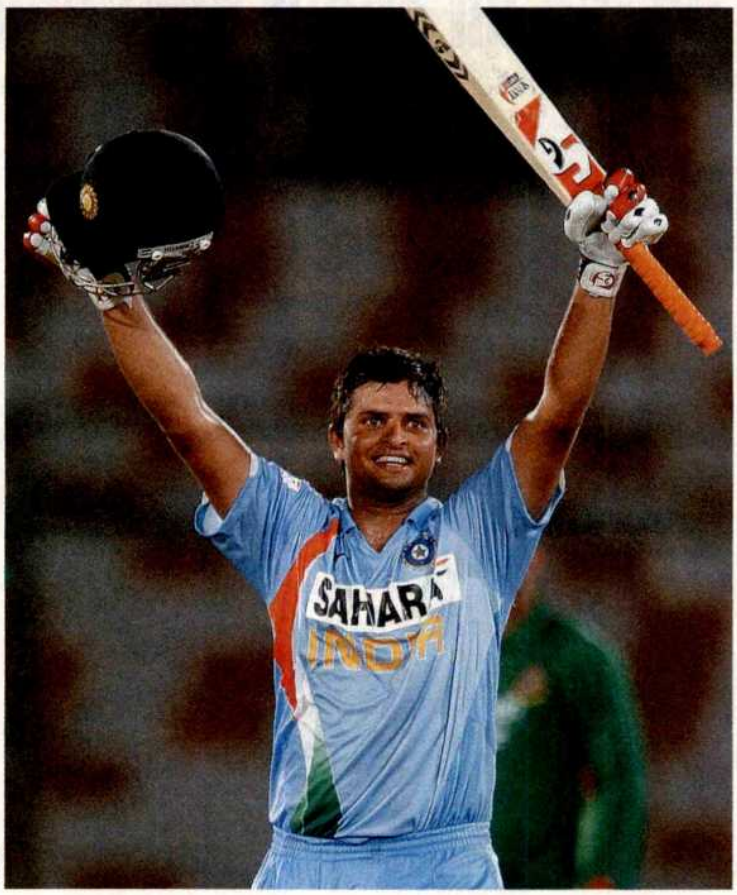
विजया बैंक

VIJAYA BANK

(A GOVT. OF INDIA UNDERTAKING)

A friend you can bank upon

Corporate Office : # 41/2, M.G. Road, Bangalore - 560 001, India



AFP

High on Cricket

Buoyed by cricket gear sales, SG pads up to open its innings in the sports apparel and footwear arena. BY ANUMEHA CHATURVEDI

Work is in full swing at the Sanspareils Greenlands, or SG, factory in Meerut, where 900 workers churn out English and Kashmir willow bats, Test cricket-worthy balls, gloves and other protective gear. The pace is clock-like and by the end of the day, some 1,000 bats, 550 pairs of gloves, 400 pairs of pads and 60 dozen balls are ready to be shipped to big brands overseas such as Nike and Reebok, and to a network of distributors in India.

Sachin Tendulkar and Mahendra Singh Dhoni, who are expected to set the pitch on fire this World Cup starting February 19, may be sporting Adidas and Reebok gears, but it is very much possible that their willows came from the SG factory in Meerut. SG's biggest brand ambassadors are Virender Sehwag and Suresh Raina today.

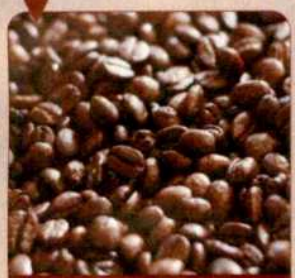
Since its launch in Sialkot, now in Pakistan, in the 1930s, the company had focused entirely on exports for decades. However, sometime in 2007 SG figured that its export markets in Australia, the UK and South Africa were getting saturated, says Paras Anand, a third-generation director at the family-run SG. While the company continued with the focus on cricket, it decided to give more attention to domestic sales.

Over the past two years, SG opened another manufacturing facility in Meerut to meet demand; entered into contracts with top players like Raina, Sehwag and Rahul Dravid; increased headcount across categories like marketing, sales, production and sourcing; and started investing in marketing and advertising.

The strategy has paid off. The company's revenues — split almost 50-50 between exports and domestic sales — are growing at an annual rate of 25 per cent and expected to close this financial year at ₹80 crore, up from ₹60 crore last year. The

Green Beans

Coffee Roasting Machine



Roasted Coffee Beans

Coffee Grinding Machine

A cup of brewed coffee

TAKE A STEP FORWARD.

START COFFEE ROASTING, GRINDING & PACKAGING UNITS.

Demand for coffee in the country has been growing very fast. Traditionally only South Indian States were considered as the market for coffee. In recent years coffee has acquired a national presence and demand for coffee is growing much faster in the non-south regions. Between 2003 and 2009 the coffee consumption has grown in the non-south regions @ 42% annually while it has grown by 3.5% p.a in the southern states. There are exciting business opportunities for coffee processing units especially in non-southern states.

Coffee Board provides **25% subsidy** with a ceiling of **Rs 25 Lakhs** per unit to individuals and firms and **40% subsidy** with a ceiling of **Rs 40 Lakhs** per unit to the self help groups and growers collectives or co operatives-on the total cost of the equipment.

The eligible items for support are : Roasting, Grinding and Packaging machineries all together or either Roasting or Grinding machinery along with Packaging machinery.

Existing units can also avail this benefit for addition of any of the components.

Eligible Capacities of Machinery : Roaster of 10kg per batch or more capacity. Commercial grinder of 15kg or more per hour capacity Packaging Machines (pedal sealing, continuous sealing, filling and Sealing form fill and sealing , automatic or semi automatic Nitrogen flushing and sealing machine, amniotic and semiautomatic Vaccumissing sealing machine) are eligible for subsidy under the scheme .

Please obtain complete details of the scheme and the detailed conditions of eligibility, application procedure etc by accessing 'Support for Coffee Processing' from Coffee Board Website www.indiacoffee.org.

कॉफी बोर्ड COFFEE BOARD

www.indiacoffee.org

Note : This is for general awareness and should not be construed as the complete & conclusive document for the purpose of determining entitlements.

Ads Advertising

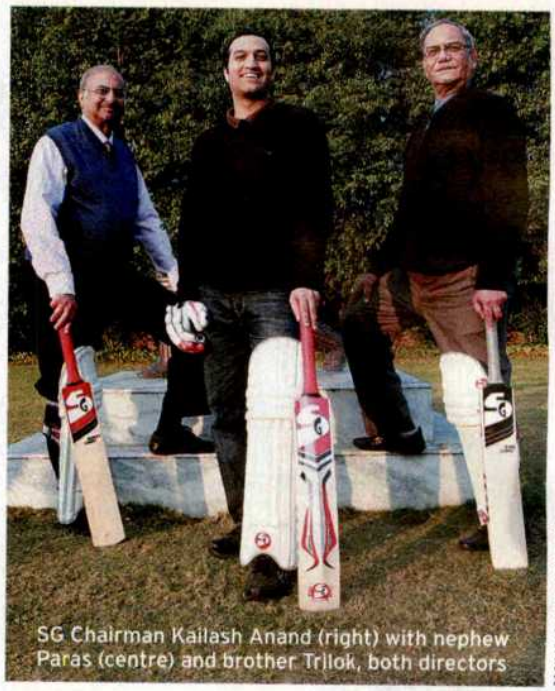
share of exports has steadily gone down. "The proportion of exports to domestic sales was 55:45 last year, and we are planning to reverse it this year," says Anand.

Buoyed by this growth, the company is planning to foray into uncharted territories now. "We will launch Maxxport, our sports-inspired apparel and footwear label by mid-March. The sports apparel and footwear market is growing at 20 to 30 per cent. A bigger market means bigger growth," says Anand, adding he expects Maxxport sales to touch ₹15 crore by 2013. The year will also mark the debut of SG's own brand in the overseas markets — a move considered a little risky because its white-label overseas buyers may not want to deal with a potential competitor.

Industry veteran Tarun Diwan, however, thinks the setback, if any, will be temporary. Diwan, who is the Secretary of the Sports Goods Export Promotion Council, says: "The brand has enjoyed a steady customer base here and is used by players under different labels internationally. If they take this risk it will be worth it."

Risk is not unfamiliar turf for SG. Launched as Greenlands by Kedarnath, Paras Anand's grandfather, the company began as an exporter of football and hockey equipment. The family moved to India after Partition, and had to start from scratch. "For a long time, we survived on payments for goods exported from Pakistan," recalls father Trilok Anand, also a director in the company. The company was plagued by other troubles too; competition was intensifying in sports goods with technically-innovative products being manufactured in countries like China.

The brand has enjoyed a steady customer base here and is used by players under different labels



SG Chairman Kailash Anand (right) with nephew Paras (centre) and brother Trilok, both directors

MONEY SHARMA

Unable to keep pace, SG shifted wholly to cricket gear in the 1960s. After two decades of slow and steady growth, the brand was registered as Sanspareils Greenlands in 1979 and made its national debut in 1982, with Sunil Gavaskar as brand ambassador. Technology was the key to success in the '80s: the launch of the double-finger-protection gloves, designed to help Gavaskar after an injury, and an ideal combination of cotswool and cork balls, which found favour with the Board of Control for Cricket in India. "Their quality of production is by far the best in the game," vouches Gavaskar.

Maxxport will source footwear and accessories from suppliers in China and apparel from facilities in Bangalore and Ludhiana. A test launch is planned for mid-March, for which Rahul Dravid has been roped in. Initially, sales will be through multi-brand outlets in Vishakhapatnam, Mysore, Bhopal and Bangalore, and will be stepped up to a network of around 1,000 stores in 450 cities and towns later.

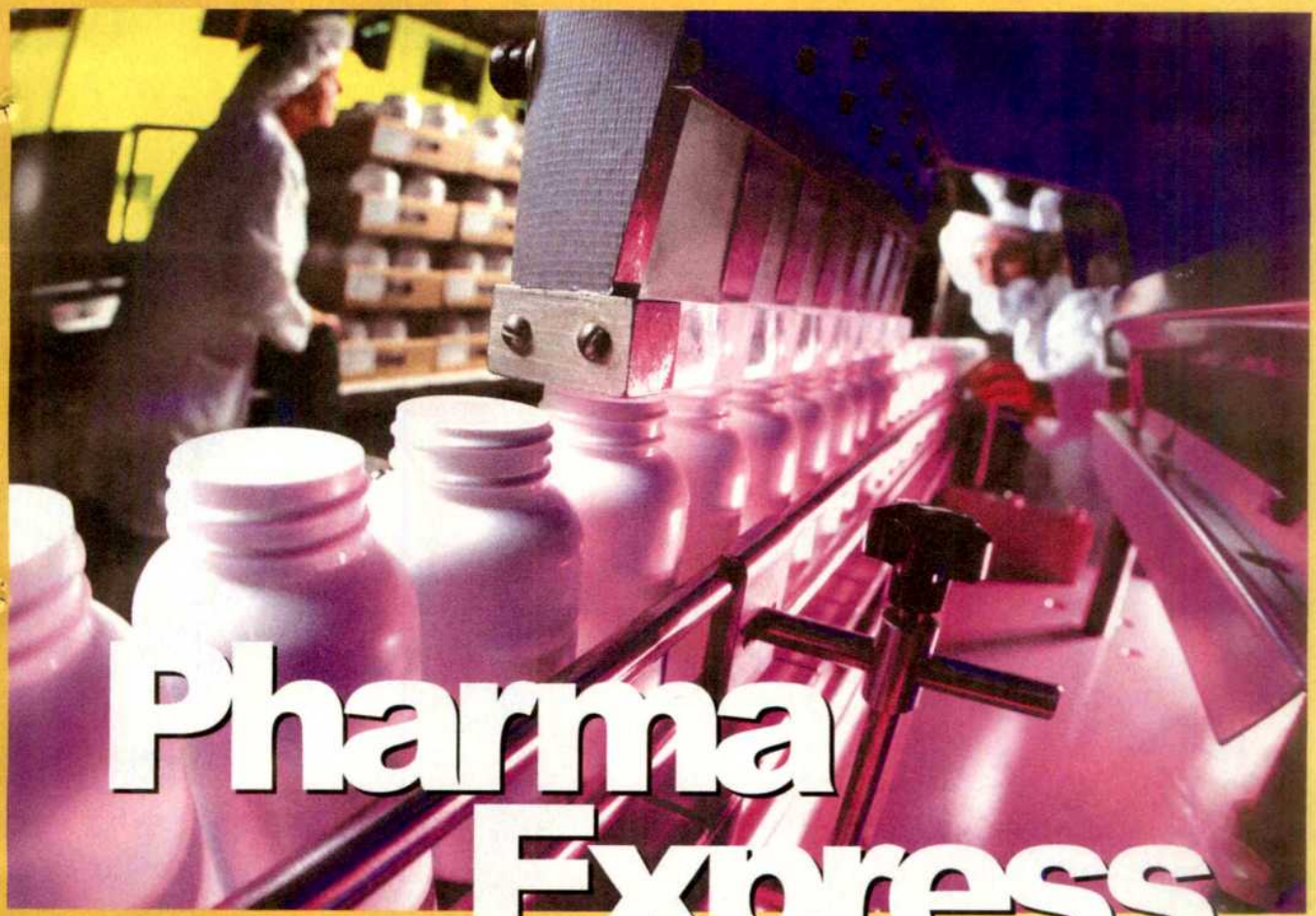
The positioning will be value. "While the average price of a Reebok or a Nike product is about ₹1200, a domestic brand costs around ₹400," says the younger Anand. "We are entering a new category of sports apparel and footwear, offering products which are on a par with the international brands in terms of quality, but are about 20 to 25 per cent cheaper."

But fighting the Goliaths will be tough. "The brand is not visible to top-end consumers, and as India matures with large-format stores, this will be a shrinking market approach and their market size could drop," cautions Ravdeep Singh, CEO, Planet Sports, a multi-brand sports lifestyle chain. The Indian Council for Research on International Economic Relations, or ICRIER, a New Delhi-based think tank, last year predicted a growing domestic market for sports goods but also warned of intense competition, with global sports retailers expanding operations here.

SG may have its answer in a tagline it has grown up on for decades — Only the Best Survive — which it will replace with "Believe, Become" in the coming weeks.◆

SG's Retail Road Map

- Entering the ₹3,000-crore apparel and footwear category with Maxxport brand in March
- To launch in Vishakhapatnam, Bhopal, Mysore and Bangalore
- Expansion through multi-brand outlets after two years
- Rahul Dravid to be the brand ambassador for Maxxsport



Pharma Express

To make life-saving drugs, you rely on specialists every step of the way. To deliver them, shouldn't you do the same?

Lives depend on two factors. One, the drugs you make. And two, their dispatch: getting them to pharmacies and hospitals as quickly and efficiently as possible.

Which is why TCI XPS offers you customized express delivery solutions of the highest professional standards by leveraging its experience, national and global network with connectivity through Air, Road & Rail and state-of-the-art infrastructure.

- Door-to-door service
- 13,000 delivery locations across India
- State-of-the-art tracking system
- 550 computerized offices
- A workforce of 3000 people
- International deliveries to 203 countries

*Conditions apply

Assured delivery within 24 and 48 hours to a choice of 150 locations across India – or your money back!*

TCI XPS

EXPRESS DISTRIBUTION SPECIALISTS

Air | Courier | Surface

A Division of Transport Corporation of India Limited

IATA | TÜV SÜD

Only Express Company in India to be IATA and ISO Certified

Toll Free No. 1800 1800 977

www.tcixps.com email: info@tcixps.com

A Vodafone Essar Company
Rajesh Sud
CEO and MD
Max New York
Life Insurance Co. Ltd.
Vodafone Business Solutions
Email and Connectivity | Machine to Machine | Mobilise Applications | Toll Free Services

"Vodafone delivers, so we can deliver better to our customers."
"With over 650 offices across 390 locations, Max New York Life is one of the leading life insurance companies in India. Clearly our communications requirement is one of scale and spread, something Vodafone is best equipped to deal with. With their global expertise, robust network infrastructure and always Happy to Help service, they ensure our teams are kept seamlessly ticking across the country. Our journey with Vodafone is that of progress, one that is truly win-win for both."
To find out how Vodafone can partner you to grow your business visit www.vodafone.in/business
power to you
Audio Conferencing | Leased Lines | Office Wireline (E1 DID) | Spend Tracker | Vodafone Voyager

MONEY

Struggling to Retain Retail Investors

The mutual fund industry is witnessing an exodus of investors, but it has not been able to come up with a definite plan to stop the outflow. BY DIPAK MONDAL

The mutual fund, or MF, industry appears to be on a losing streak. Ever since the Securities and Exchange Board of India, or SEBI, banned entry loads — charges collected by fund houses from investors at the time of investment — the number of retail investors in MFs has been falling consistently. The number of investor folios dropped by 10 lakh between September 2009 and September 2010. Equity funds have seen the closure of around 19 lakh folios over a year since September 2009. The entry load ban came into effect in August 2009. Industry players, financial planners ('distributor' is not in vogue ever since the regulator banned entry loads and asked MF agents to offer advisory services for a fee) and investor representatives have been spending hours on deliberations and meetings to find a solution to stop the mass exodus. However, the industry doesn't seem to have a definite plan to get out of the precarious situation. "Only large-ticket investors are coming in. Frankly, I am unable to figure out how we can increase retail participation," says Waqar Naqvi, Chief Executive Officer, Taurus Mutual Fund. However, everyone is not so pessimistic. Some industry players believe that their efforts will help generate interest among masses.

Improving Awareness

In a country, where 55 per cent of domestic savings go into bank fixed deposits, the MF industry sees a huge scope for growth. "Investors are still not aware that inflation eats into a chunk of their savings and they need instruments that give healthy inflation adjusted returns. Equity MFs are the best way to beat inflation and the industry needs to drive home this

message among investors," says Jaideep Bhattacharya, Chief Marketing Officer, UTI Mutual Fund. The Association of Mutual Funds in India, or AMFI, has initiated a programme under which each fund house needs to organise at least five investor awareness programmes every month. However, the industry estimates that the cost of investor education could go into thousands of crores of rupees and it can't bear the cost alone. "Usually MF advertisements require a lot of disclosures. If the regulator allows us to provide those disclosures only on the website and use the advertisement space for investor awareness, it would be a great boost," says Sanjay Sinha, CEO, L&T Mutual Fund.

Focus on SIPs

After the ban on entry loads, fund houses have shifted their focus to systematic investment plans, or SIPs. Milind Barve, MD, HDFC Mutual Fund, says, "SIPs have become the single-point religion of our asset management company, or AMC, to get more long-term investors. Our growth over the past four years has been through SIPs." However, distributors and financial planners say that the economics of SIPs doesn't suit them. Girish Batra, CEO, NetAmbit, a distributor of financial product, says, "For getting a SIP, a financial planner needs to visit an investor at least a couple of times. The incentive model, even in the pre-entry load ban period, was not good enough to recover the salesperson's conveyance cost of visiting the prospective customer. How can one expect us to sell SIPs when there is no incentive?"

Goal-Based Products

When it comes to goal-based savings products — be it pension plans, child plans or retirement plans — the insurance industry has succeeded in selling such schemes more aggressively than MFs. "MFs have been selling more return-based products and there is a need for more goal-based plans to ensure long-term investments. There is certainly a shift towards such products," says Bhattacharya. Though there are six child plans and retirement plans in the MF sphere, they were all launched at least 5-10 years ago. Now fund houses are trying to launch products in this category. Fidelity and Peerless have sought approval from SEBI for launching child plans while IDFC Mutual Fund has applied for a retirement plan.

Battle with FDs

Fund houses have realised that they need to have more products in the fixed-income category to attract risk-averse investors who have so far preferred bank fixed deposits. They are now launching more capital protection-oriented funds, monthly income plans and fixed maturity plans. "The market crash of 2008 scared equity MF investors. That is why we are largely shifting to low-risk products," says Rajeev Bajaj, Vice-Chairman and Managing Director, Bajaj Capital.

Caveat Emptor

Notwithstanding all the efforts by mutual fund players, the industry needs to address the issue of incentivising financial planners in order to push the sales of MF. "Unless we address the issue of distributors' fee, it would be hard to increase the reach of such products, regardless of the innovations we make in our products," says Krishnamoorthy Vijayan, CEO, IDBI Mutual Fund. ◆

Courtesy: *Money Today*

Dwindling Numbers

Funds	Investor Type	SEPTEMBER 2009 Asset	SEPTEMBER 2009 Folios	SEPTEMBER 2010 Asset	SEPTEMBER 2010 Folios
Equity-oriented	HNIs	38	369	43	368
	Retail	127	40,550	140	38,623
Balanced	HNIs	4	37	6,290	46
	Retail	9	2,940	10,455	2,774
Gold ETF	HNIs	0.3	1.6	956	5.4
	Retail	0.3	99	866	235
ETFs (other than Gold)	HNIs	0.4	1	642	2.5
	Retail	0.1	23	190	52
Grand total		**637**	**47,966**	**660**	**46,978**

Assets are in ₹'000 crore, folio numbers in '000

Source: AMFI

PRO-AM OF CHAMPIONS 2011

Happy Valley

It has been a season of new beginnings for the *Business Today*-Honda Pro-Am of Champions, now in its 16th year. BY SHARAD KOHLI

Sandeep Malhotra, Senior Director, ICICI Venture was the winner in the individual category

The new year saw the 16th edition of the *Business Today*-Honda Pro-Am of Champions mark yet another break from its past. After experimenting with a Friday schedule during the eastern round in Kolkata in November, and including Chandigarh as a venue in October, the Pro-Am of Champions added yet another venue to its roster: Aamby Valley Golf Club, the latest venue for the western leg of the Pro-Am.

Willingdon Sports Club, located in the heart of Mumbai, had been hosting the western leg of the Pro-Am for several years, but this year the organisers took a liking for the salubrious climes of the Aamby Valley township in Lonavala, nestled in the picturesque Sahyadri range of the Western Ghats, and designed by English course architect David Hemstock.

Praveen Biyani, Managing Director, Bhagat Aromatics, was the winner in the individual category

Ravikanth Konteti, Managing Director, JPMorgan Chase, was part of the winning team

R. Ramakrishnan, Executive Director, Bajaj Electricals (left), receives his prize from Rohit Kumar of Honda Siel Cars, India

Rudratej Singh, Global Brand Director, HUL (left), receives his award from Vipul Hoon, GM (Marketing), Business Today

Thanks to its novelty factor, perfect golfing weather, and a sprawling and verdant layout, the fourth round of the BT Pro-Am at Aamby Valley was thoroughly enjoyed by all who had the good fortune of taking part in the event. The Pro-Am travelled to Mumbai this January after completing its three legs in Chandigarh, Kolkata and Bangalore.

Rudratej Singh, Global Brand Director, Hindustan Unilever, was the toast of Aamby Valley. Singh booked himself a berth in the Grand Finale of the BT-Honda Pro-Am of Champions to be played at the Classic Golf Resort outside Gurgaon on February 19 and 20.

The Classic, which has been a loyal host of the decider for all but one edition of the event, is a Jack Nickalaus signature course, and a favourite of many — both amateurs and professionals — who have had the privilege and joy of teeing it up there.

Singh emerged winner in the 0-10 handicap category, and joining him in the final will be Praveen Biyani, Managing Director, Bhagat Aromatics, and Sandeep Malhotra, Senior Director, ICICI Venture, who won the 11-18 and 19-24 handicap categories, respectively.

And bagging team honours (with 98 points) was the on-the-ball quartet of Kavi Arora, CEO of Religare Finvest, Ravikanth Konteti, Managing Director, JPMorgan Chase, R. Ramakrishnan, Executive Director of Bajaj Electricals, and Jayesh Gadekar, Director, Vantage Insurance Brokers, who was in the winning team).

Finishing second best in the team category was the foursome of Rudratej Singh, Dinesh Lal, Group Director-India, Maersk India, Jinendra Munot, Joint Managing Director, ZF Steering Gear (India) and Deepak Anand, Senior Vice-President, WNS Global Services.

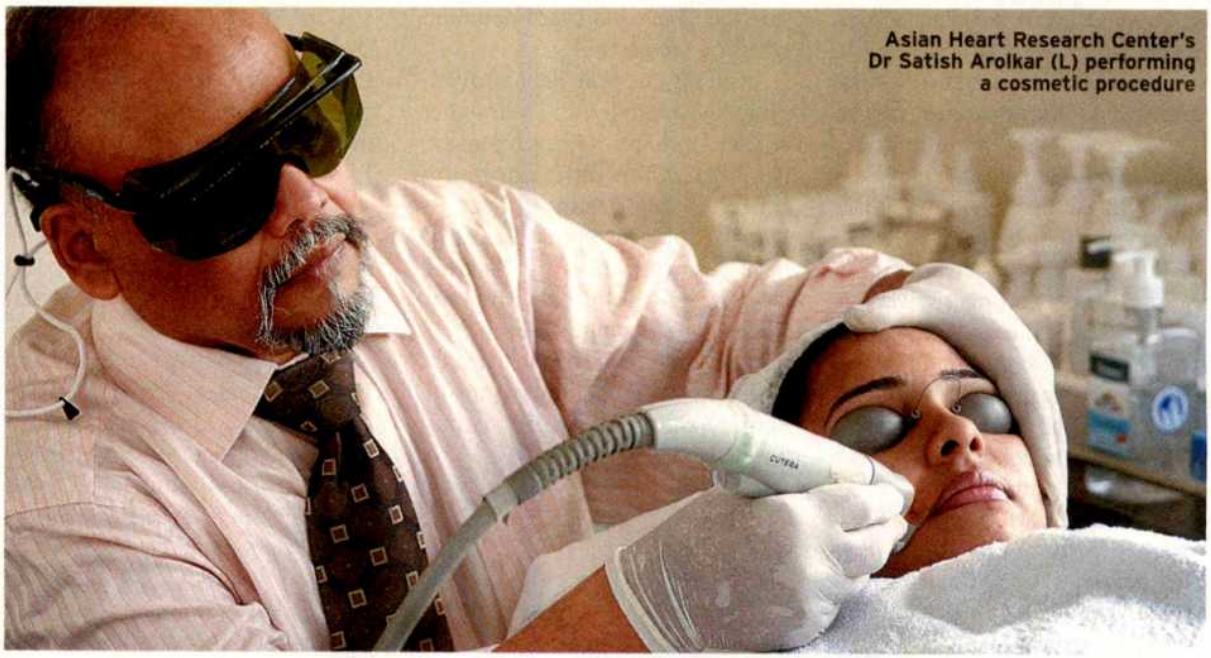
Dinesh Lal, Group Director — India, Maersk India (left), receives his award from Kavi Arora, CEO, Religare Finvest Ltd

As always, Honda Siel Cars, India was the title sponsor of the BT Pro-Am while Religare was the associate sponsor. Also, chipping in generously were Cleveland, the equipment sponsor, United Breweries and Kingfisher, the beverage partners, *Golf Digest India* (golf magazine partner) and Aamby Valley GC (host venue). United Breweries and Kingfisher provided a bottle of scotch each for the individual and team winners, as well as the runners-up team.

Next up in the line is the All-India finals, when the curtain comes down on the 2010-11 season of the BT-Honda Pro-Am of Champions. It should make for an exciting couple of days amidst the pleasingly quiet and ruggedly rustic environs of the Aravallis. The cream of India Inc. will be there to battle for the top honours. ◆

Nip This, Tuck That

Cosmetic surgery is on the rise in a newly-emboldened, go-getter India. BY ANUMEHA CHATURVEDI



Asian Heart Research Center's Dr Satish Arolkar (L) performing a cosmetic procedure

UMESH GOSWAMI/www.indiatodayimages.com

Kabir (name changed), a 29-year-old Delhi-based brand consultant, walked two to three kilometres everyday, worked out in the gym three times a week and kept a strict diet plan for several years. He did all this to get rid of the flab on his upper torso, which he considered a major blemish in his personality, especially since his work required daily interaction with high-profile people. No matter what he wore, he always felt he looked unflattering and this affected his self-esteem.

"I failed to correct this flaw through an exercise and dietary regimen," says Kabir, who decided to go under the scalpel last June. He underwent a complex liposuction procedure at Medanta Medicity, a super-speciality hospital in Gurgaon, which lasted four hours and involved several layers of reconstructive surgery. "The feeling is indescribable. I meet the mirror with a smile every

morning and am much more confident now," says a beaming Kabir.

Down south in Chennai, Kabir would find a perfect sympathiser in Vijay Raghavan, a 41-year-old businessman who not only underwent a similar procedure for his lower abs about 10 years ago but also had hair transplant done last year. "I was a very active person and wanted taut and firm lower abs. I opted for liposuction after all else failed," he says.

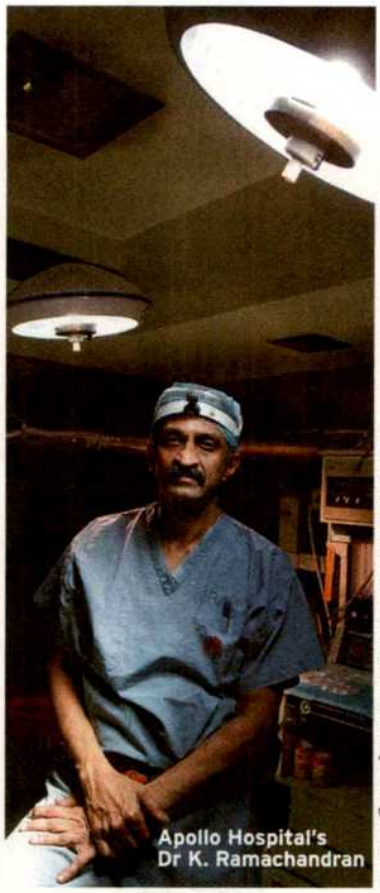
Raghavan feels there has been a sea change in the outlook towards cosmetic surgery. "When I underwent liposuction, it was new to south India. Now, I have a lot of friends who have got things done and they talk about it. With more disposable incomes, changes in technology, and better after-care, the attitude (towards cosmetic surgery) has changed and their numbers have increased," he says.

Spurred by plain vanity or the need for instant fixes for problems such as obesity, cities across India are seeing a steady rise in cosmetic procedures. Says Dr K. Ramachandran, Senior Consultant in Cosmetic Surgery at Apollo Hospital, Chennai and President of the Indian Association of Aesthetic Plastic Surgeons, who operated on Raghavan: "There has been a threefold increase in cosmetic procedures compared to five years ago."

Adds Dr Rashmi Taneja, Senior Consultant of Plastic and Cosmetic Surgery at Fortis Hospital in Delhi: "Five years ago, cosmetic surgery accounted for five to 10 per cent of all plastic surgeries in India. Now, it is between 15 and 20 per cent. The numbers are pretty much like those in the West."

The Look-Good Syndrome

The fad is not confined to shutter-happy celebs and corporate high-fliers alone. The young working population and the upper middle class, too, are willing to undergo cosmetic procedures. Dr Aniruddha Bose, a well-known plastic surgeon in Kolkata who regularly treats patients from nearby Murshidabad, Asansol and Durgapur towns, says: "I get patients from across the country as the services are cheaper here compared to Delhi and Mumbai. The increase in the number of trained plastic surgeons is taking cosmetic surgery to the masses."



Apollo Hospital's Dr K. Ramachandran

H. K. RAJASHEKAR/www.indiatodayimages.com

LIPOSUCTION

₹60,000

Liposuction using Vaser

₹1 lakh upwards

RHINOPLASTY

₹70,000

to ₹1 lakh

Advances in technology have reduced the risk and the downtime involved in cosmetic procedures, leading to their broad-based acceptance. Non-surgical procedures like Botox and fillers far outnumber surgeries. "A lot of people opting for cosmetic surgery are from conservative families, as the feeling is that an improved appearance will perk up their chances in life," says Taneja. "Even in the corporate world, looks have become a large part of people's perception of performance. If you look young, you are perceived to possess more vitality," she adds.

The business of looking good is a big one. "Cosmetic surgeries are big money spinners for hospitals and surgeons. As they are not covered by insurance, it means instant payment for the service," says Dr Ajay Kumar Sharma, Pharmaceutical Head at business research & consulting firm Frost & Sullivan. No definitive figures are available on the current size of the cosmetics market, although a study by Delhi-based research firm Koncept Analytics had pegged it at ₹460 crore in 2007.

"The cosmetic market in India is estimated to reach $1 billion by 2014. The current financial year has been particularly phenomenal for the industry. Medical tourism has also played a critical role in the growth of this segment," says Sharma.

Sensing the opportunity, the Apollo Group launched its chain of cosmetic clinics in Hyderabad and Chennai late last year and plans to open four more this year. The two existing clinics offer services such as body shaping, liposuction, rhinoplasty and face lifts. "These

clinics solely focus on cosmetic surgeries, so the patients know where to go," says Ramachandran.

Growing Handsomely

About 50 cosmetic surgeries are performed every month at the Max Healthcare hospital in Delhi's bustling Saket. "We have been witnessing a 30 per cent year on year rise in cosmetic surgeries, both in terms of numbers and revenues," says Dr Sunil Choudhary, Director of Aesthetic and Reconstructive Plastic Surgery at Max Healthcare. Says Swati (name changed), a 35-year-old working mother and one of his many patients: "I had gained weight on my lower body after the Caesarian section and felt awkward. Thanks to the surgery, I have regained my shape."

Word of mouth plays an important role in the choice of surgeons and hospitals. Though Swati is secretive about her surgery, she has recommended the surgeon and the treatment to one of her friends.

Ramachandran and Taneja perform about 30-50 surgeries in a month and count liposuction, rhinoplasty and hair transplants among the most popular procedures. The wedding season sees the demand go up. "I get a lot of requests from not just brides and grooms but also their siblings and parents as there is this urge to look picture perfect on the wedding day," says Taneja. According to Ramachandran, hair transplants and liposuction are in great demand from youngsters who would like to improve their marriage prospects.

HAIR TRANSPLANT
₹70,000 upwards

ENDOSCOPIC BREAST AUGMENTATION
₹1.25 lakh

ENDOSCOPIC FACE LIFT
₹1.5 lakh

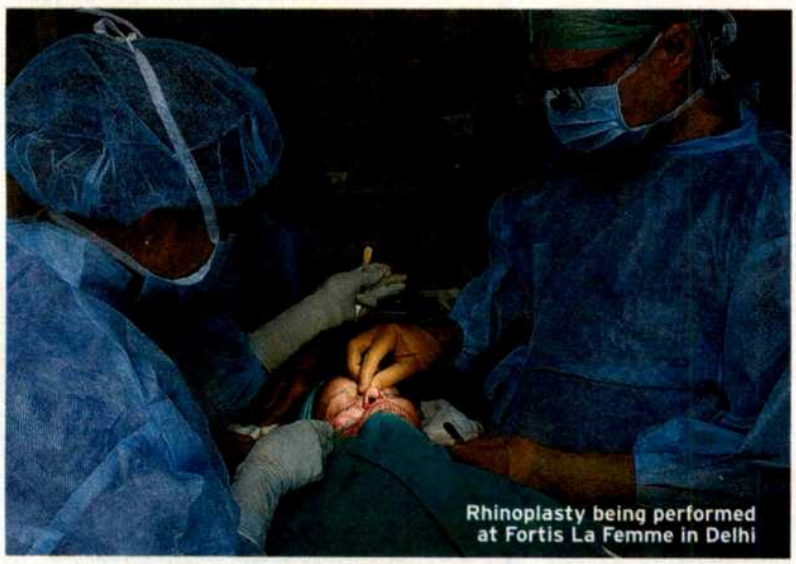
These rates vary with the scale of operation and choice of hospital

The rise of minimally invasive, technologically advanced procedures has been a shot in the arm for surgeons and chains. "Procedures like thread lifts, endoscopic face lifts and breast augmentation are in great demand," says Taneja, adding that liposuction has also become more advanced with the use of laser and vaser and one can do larger volumes more safely.

Dr Devansh, a Delhi-based plastic surgeon who prefers using only his first name, refers to Botox and fillers as "office or lunchtime procedures", and performs about 10 daily. "You walk in, take some consultation, get it done and go back. It takes between 15 minutes and one hour," he says. People also come to him for smile correction surgeries.

There are many who feel that some of the cosmetic procedures should be allowed an insurance cover. Says Dr Satish Arolkar, Plastic Surgeon and Senior Consultant at the Asian Heart Research Center in Mumbai: "Treatments such as liposuction and abdominoplasty should be covered under insurance as they target obesity, which is a major health hazard. Also, levying service tax on cosmetic surgery is a biased stand by the government that is killing the industry by restraining both Indian and overseas patients."

But if the rising numbers are any indication, the service tax and the lack of insurance have done little to deter many. A 63-year-old female patient of Dr Arolkar shows you why. She had grown up children, yet she requested for a face lift. "She is an insurance agent and said, 'who will buy insurance from me if I look my age'," he laughs. Beauty comes at a price. And for a fiercely ambitious, go-getter India, the price seems to be worth it. ◆



SAPTARSHI BISWAS/www.indiatodayimages.com

Rhinoplasty being performed at Fortis La Femme in Delhi

THE INDIA TODAY GROUP

15 years ago we embarked on a mission

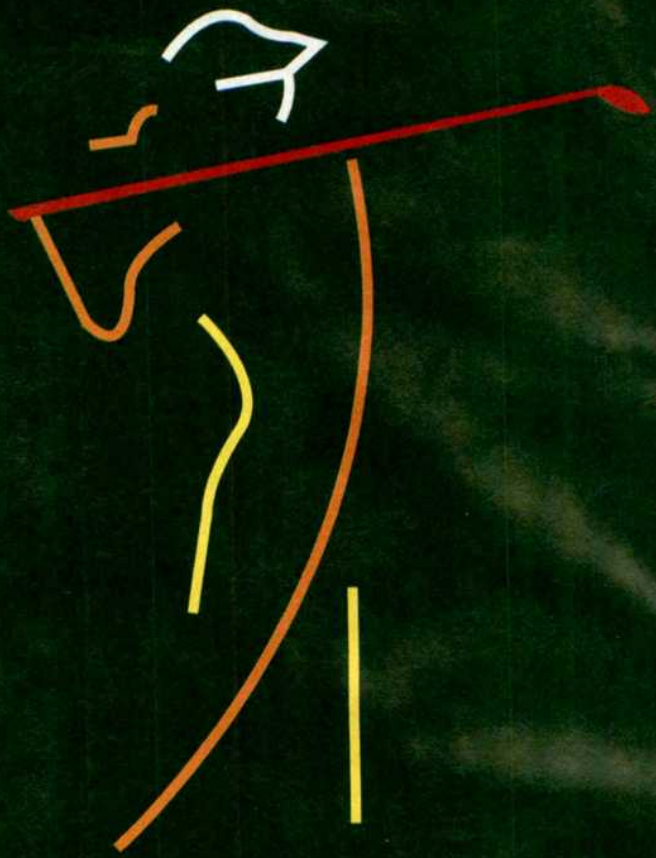
HONDA

presents

business today

PRO-AM OF CHAMPIONS

to promote golf amongst corporate and get them to support pro golfers.
The icing on the cake was an Indian doing the nation proud
by winning on the US PGA Tour.



Business Today & Honda Siel Cars now dedicate themselves to the cause of Women's Golf in India

To nurture and promote champions who will go on to win on the Asian, European & US tours

Equipment Partner

Cleveland GOLF

Official Golf Magazine

Golf Digest

Supported By

WGAI
Professional Golf

THE INDIA TODAY GROUP

HONDA presents

business today

PRO-AM OF CHAMPIONS 2011

In association with

RELIGARE
Values that bind

Business Today & Honda are delighted to announce their association with Women's Golf Association of India for the Business Today Honda Pro-Am of Champions 2011.

India's only standalone Pro-Am will now feature women in a unique format.

- 8 Top Indian Women Pros
- 8 International Women Pros
- 8 Indian Women Amateurs

will play alongside India's corporate honchos to vie for top honours.

New Delhi **19–20 February 2011** **Classic Golf Resort**

Win a Honda NEW CR-V Live Up for a Hole-in-One

business today

HONDA

Bye-Bye MySpace

Why its demise is a cautionary tale for social networking business plans

RAJAT BARAN

Internet time seems to move a lot faster than time in any other industry. In 2005, Rupert Murdoch's NewsCorp acquired social networking site MySpace for $580 million, beating rival Viacom to the deal. In fact, Viacom's Chief Executive at the time, Tom Freston, lost his job over the botched takeover bid. And in 2006, MySpace signed a $900-million deal that allowed Google to display contextual advertising on its social networking site.

At its peak, MySpace had around a 100 million users and became a hub for independent ('indie') musicians and filmmakers, a place to showcase their performances. Yet, MySpace did not expand overseas for several years despite its strong presence in the US. At the same time, it fatally underestimated a growing online network of college students of the time — Facebook. And as 2011 started, news came that MySpace had let go of 500 employees, or 47 per cent of its workforce. This was probably a direct result of MySpace's smaller deal with Google as well as the consequence of its active user-base shrinking.

The story of Facebook and its Chief Executive Officer Mark Zuckerberg's rise to the top has now been immortalised by Hollywood. Yet, that does not answer the crucial questions. What on earth went wrong for MySpace? And what went wrong with tens of other social networks across the world?

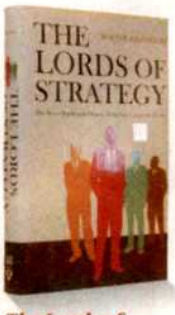
Take the example of Second Life. In 2007, American tech journalists were raving about the service and it even inspired Godrej to start something similar. Today, Second Life is a shell of what it was three years ago. In India, there is the example of Google's Orkut. Today, while Orkut still has a considerable number of users, Facebook beat it several months ago, both on the number of users as well as on user connectivity.

The problem is that there are far too many business plans involving social networks. Sorry for being a cynic although a part of me would love to see an Indian social network emerge successful. A few of them do have viable plans for now, but these do not involve spending copious amounts of money on advertising. They will tell you how they are pioneering various technologies to help rural users, such as voice updates. But then suddenly you see a huge campaign featuring Mahendra Singh Dhoni showcasing Facebook voice updates on Aircel. I'm sorry but how on earth is a small start-up with an active user base of a few tens of thousands supposed to compete with the likes of a campaign featuring India's cricket captain?

The social network battle took place five years ago. Facebook won and MySpace lost. And Murdoch's battle — to win the minds of young consumers — will need to change its strategy. Facebook has also won the battle in India (see *Millions on the Wall*). There is space for Indian entrepreneurs in the digital space, and as the country adopts data-rich mobile networks, they can easily take advantage of them. But it will need one heck of a social network to beat Facebook in India. So it would be nice if they concentrated on other things. Like better games, for example. ◆

How Ideas Create Professions

The book is a well-written account of the emergence of strategy consultants, says Arun Maira



The Lords of Strategy: The Secret Intellectual History of the New Corporate World

By Walter Kiechel III
Publisher: Harvard Business Press
Pages: 368
Price: ₹995

If you are looking for a book on the 10 smart things to do to create a strategy, *The Lords of Strategy* is not the book for you. It is the history of consulting firms trying to discover the 10 smart things to do to create a strategy. It concludes that they have not yet found what these are. However, if you are looking for a good book about how ideas develop and with them new professions, this is a great read. It is a very well-written account of the emergence of strategy consultants.

Good strategies have enabled generals to win wars since history began. And good strategies have enabled traders to beat competition for centuries, too. However there was never a band of 'strategy-makers'. Professional strategy-makers for hire emerged with the foundation of the Boston Consulting Group by Bruce Henderson in the 1960s.

The Lords of Strategy concludes that consultants are still searching for a paradigm for strategy. In his seminal book, *The Living Company*, Arie de Geus recounted when he, as head of planning in Royal Dutch Shell in the 1970s, recommended to the board that the company apply the new strategy techniques that consultants in the US had developed, the chairman suggested a pause. He said the outcomes of good strategies could only be known after many years. Therefore, one should wait to see how well the firms that apply these concepts fail. He suggested that de Geus and his team study 'living companies' who have survived and succeeded for at least 100 years. De Geus's study revealed that such long-lasting firms were adept at 'organisational learning'. BCG and other consultants are now coming to the same conclusion, says Kiechel.

In a global and dynamically changing world, with competitors emerging from other industries and other geographies, those organisations which learn faster and change faster than any potential competition will survive. Therefore, the soundest strategy is to develop the best capabilities for organisational learning and change. This insight, that de Geus, Peter Senge and others have, has resulted in 'organisational learning' emerging as a new discipline. In the organisational learning profession the best consultants are those who enable their clients to realise their aspirations by learning and improving their capabilities. However, such consultants have so far been looked down upon as mere 'facilitators' by 'strategy' consultants who pride themselves on the brilliant ideas they give their clients.

Of all the assets an organisation has, only people can learn. Indeed, people can improve not only their own capabilities but the other assets, too. Consulting firms themselves are learning organisations. The best of them are global learning organisations who know that their only assets are their people. In fact, even though one may not learn the 10 things to do to develop a great strategy from strategy consulting firms, according to Kiechel, one may learn a lot from the way these firms are organised about how to manage people and organisational learning. But that must be another book. ◆

Arun Maira, an author and member of the Planning Commission, was Chairman of BCG India until 2009

The soundest strategy is to develop the best capabilities for organisational learning and change.

BOOKMARKS

Delivering Happiness
A Path to Profits, Passion, and Purpose

By Tony Hsieh
Business Plus
Hachette Book Group
Pages: 253
Price: ₹499

The CEO of Zappos, the online retailer acquired by Amazon, started with a worm farm. An entertaining one-time read.

Debunkery
Learn It, Do It, and Profit From It – Seeing Through Wall Street's Money-killing Myths

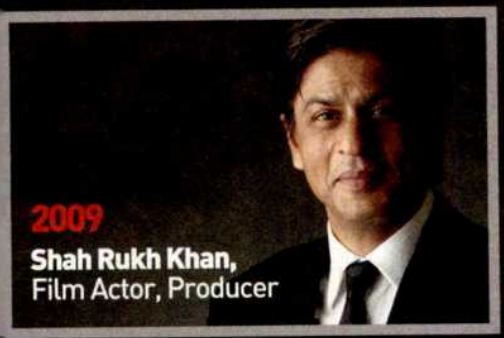
By Ken Fisher with Lara Hoffmans
Wiley
Pages: 234
Price: ₹1,288

Investors are always looking for handy tips. Though not strictly a how-to beat-the-market handbook, this one dispels some myths, including commonly accepted Wall Street wisdom.

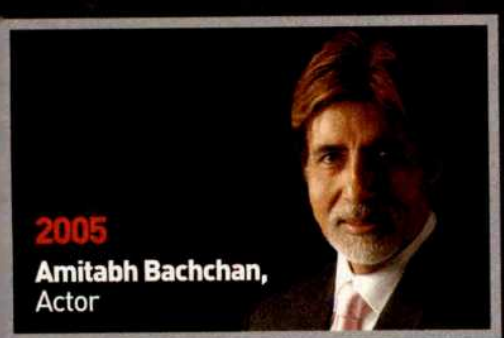
THE INDIA TODAY GROUP

2010
James Cameron,
Producer, Director,
Screen writer, Editor
& inventor

2010
Aamir Khan,
Actor, Director
& Producer



2009
Shah Rukh Khan,
Film Actor, Producer



2005
Amitabh Bachchan,
Actor

2004
Aishwarya Rai,
Actor

INDIA TODAY CONCLAVE

INCREDI
SPEAKE
UNFORG
CONVER

THE TENTH
INDIA
TODAY
CONCLAVE

MARCH 18 & 19 2011
TAJ PALACE HOTEL
NEW DELHI

BLE
RS
ETTABLE
SATIONS

REGISTER NOW FOR 2011

TEL: (011) 23357087, 23325235
E-MAIL: conclavedesk@intoday.com
WEBSITE: www.indiatodayconclave.com

CONCLAVE SPONSOR

ADITYA BIRLA GROUP

CONCLAVE ASSOCIATES

SRM UNIVERSITY
(Under section 3 of UGC Act 1956)

JAYPEE GROUP
NO DREAM TOO BIG

CONCLAVE PARTNERS

unitech

सेल SAIL

moserbaer Projects

ओएनजीसी ONGC

HOSPITALITY PARTNER

TAJ Hotels Resorts and Palaces

AIRLINE PARTNER

FLY KINGFISHER

MEDIA PARTNER

MAIL TODAY
News for the new world

TV PARTNERS

आज तक

HEADLINES TODAY

The Right Light

Light influences the body clock. Bad lighting at work can make you sluggish

There is another reason to take lighting at the workplace seriously — research has now linked it to employee productivity.

A study by City University, London last September, which looked at the impact of lighting on performance and well-being at the workplace, suggested that whilst "lighting alone is unlikely to have a strong effect on performance, it is one of several factors that combine to create healthy work environments that in turn help promote employee engagement, well-being and productivity".

Says Nirupam Sahay, a lighting expert and Senior Director of Marketing at Philips Lighting India: "The role of light in circadian (daily) rhythm is crucial."

According to a Philips study that examined the effects of light on the body clock, light sends signals via the novel photoreceptor cells, a specialised type of neurons or nerve cells found in the retina, and a separate nerve system to our biological clock, which in turn regulates the circadian and circannual (seasonal) rhythms of various bodily processes. Cortisol (stress hormone) and melatonin (sleep hormone) play an important role in governing alertness and sleep.

Cortisol, among other things, increases blood sugar to give the body energy and enhances the immune system. However, when its levels are too high over an extended period, the system becomes exhausted and inefficient. Cortisol levels increase in the morning and prepare the body for daytime activities. They remain sufficiently high over the course of the day, falling finally to a minimum at midnight.

Melatonin levels, on the other hand, drop in the morning, reducing sleepiness. They normally rise again when it becomes dark, which is when cortisol is at its minimum level, permitting healthy sleep. For good health, it is important that these rhythms are not disrupted too much.

So, what kind of lighting is most appropriate for workplaces? "There is research to show that white light with a tinge of blue has a positive impact on the productivity of employees," says Sahay. Also, parabolic lighting coming from the top works the best.

If you are uncomfortable with your workplace lighting, you can customise it to suit your need. You can augment the direct light or common area lighting coming from the top with a table lamp with its glare away from the screen. It will be ideal if its lighting can be regulated.

And, what colour of lighting is ideal for the eyes? "Whether the light is yellow or blue, it does not matter," says Anita Sethi, Senior Consultant of Ophthalmology at Artemis Health Institute in Gurgaon. But lighting at the workplace should be bright enough for proper illumination but not too bright.

"I would even recommend ambient and diffused lighting at workplaces," says Sethi. Also, the lighting should not radiate too much heat, because along with the dryness caused by the air conditioning, it can trigger computer vision syndrome or dry eyes (log on to *businesstoday.in/your-eyes-are-drying-for-a-break*).

SAUMYA BHATTACHARYA

MAKING LIGHT WORK FOR YOU

1. Get rid of the glare on your computer screen
2. Parabolic lighting coming from the top works the best
3. Go for gooseneck table lamps. Again, light should come from the top
4. Experts recommend white light with a tinge of blue at the workplace
5. When working from home, use the same principles of lighting for your work space

A Yardstick for Management Ability

There is a leadership deficit on vision and people in India, says a new index

Think of an index that measures how effectively a CEO, an organisation, a group, a sector or a country is performing. That is what the Management Capability Index, or MCI, developed by the All India Management Association, or AIMA, and HR consultancy Mercer, aims to do. "Management Capability is the degree to which management uses its skills, abilities and competencies to achieve business results. The index is a manifestation of this capability in an organisation, an industry or collectively in a country's economy," says Nishchae Suri, MD of Mercer India.

MCI will be an annual index. However, based on the feedback for this inaugural MCI, it will be refined and aligned with the needs of Indian CEOs. A total of 203 organisations participated in the survey.

The survey parameters included the following values, with organisation results and comparative performance carrying the highest weightage: Organisation results and comparative performance; visionary and strategic leadership; performance leadership; people leadership; financial management; innovation of products and services; organisation capability; application of technology and knowledge; external relationships; and integrity and corporate governance.

The overall Indian MCI 2010 is 71.6 per cent. "This is not a bad score considering that this average has largely been weighed down by the poor score of government agencies and companies, which have scored 66 per cent," says Gautam Thapar, President of AIMA, and Chairman & CEO of the Avantha Group.

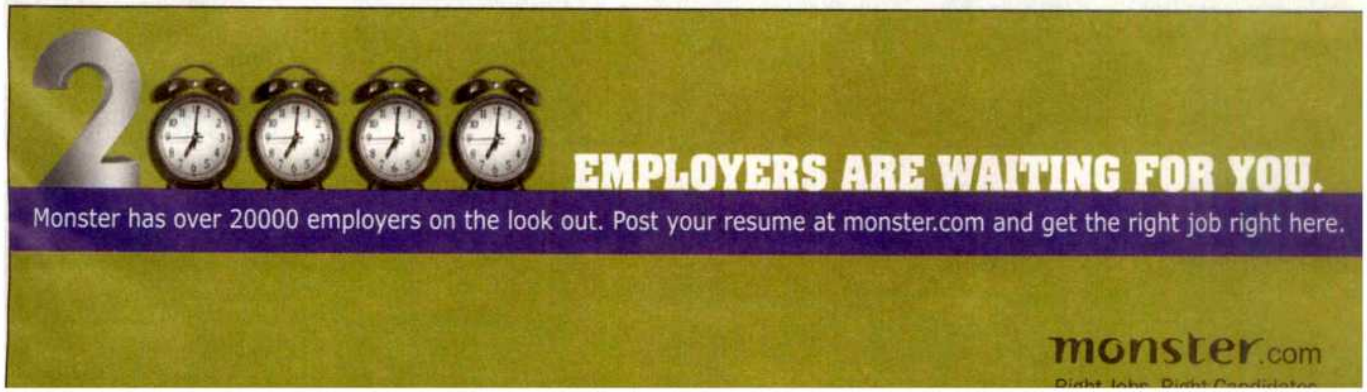
SANTOSH KUSHWAHA

In the survey, all types of organisations have achieved their highest scores on 'Integrity and Corporate Governance'. The scores on 'Performance Leadership' are much better than the scores on 'Visionary and Strategic Leadership' and 'People Leadership' parameters.

The biggest takeaway from this index for Indian corporates is that there is a clear leadership deficit, particularly on the vision and people fronts. "Leaders of Indian organisations need to get their colleagues on their side and convince them that they have the wherewithal to lead them into a positive future," says Thapar.

The index has a global equivalent. Developed by the New Zealand Institute of Management, the MCI survey has been adopted by members of the Asian Association of Management Organisations. Malaysia has been running this survey since four years. In India, AIMA launched the survey this year. ◆

SAUMYA BHATTACHARYA



Senior Management Jobs brought to you by monster.com

Amazon
Program Manager – Retail Systems
Location: Chennai
Job ID: 8671258
Description: Role: Setting up/ defining processes and continuous improvement which would include working with various internal teams to help drive tools and process improvements.

CedarCrestone Software India Pvt Ltd
Practice Lead- PeopleSoft
Location: Hyderabad
Job ID: 8823781
Description: Person must have solid understanding and work experience as a manager in a global PeopleSoft Practice; hands-on PeopleSoft experience with multiple pillars HCM, FIN, CRM.

UST Global
HR Manager
Location: Thiruvananthapuram
Job ID: 9207267
Description: Looking for a Post Graduate Degree\Diploma in Human Resource Mgmt from XLRI/TISS/Symbiosis/KJ Somaiya/MSW / IIM's; HR experience, preferably in the IT industry.

Logica Private Limited
Japanese Language expert
Location: Chennai
Job ID: 9213167
Description: Aspirant must have :excellent skills in Japanese language; worked in Unix Administration; handled L2 & L3 support; experience in handling Japanese client would be an added advantage.

Mastek Limited
Enterprise Datawarehousing Architect
Location: Mumbai
Job ID: 9212765
Description: Architect must have development exp. with SQL Server 2005, 2008; expertise in writing both SQL and MDX, experience in the performance tuning of TB-sized decision support systems.

Onward Technologies Limited
Windows / Exchange Administrator
Location: Mumbai
Job ID: 9212913
Description: Administrator should have experience in installation, configuration & Administration of Windows 2000/2003 Servers; Migration of WIN SERVER 2003 to WIN SERVER 2008.

Capgemini
Senior Manager - Energy & Utilities
Location: Bangalore, Kolkata
Job ID: 8927473
Description: The candidate should have a clear understanding of smart metering / Grid concepts; should have appreciation / awareness for the Global Power market.

Sony India Private Limited
Technical Architect
Location: Bangalore
Job ID: 8954481
Description: Technical Architects with experience on various J2EE technology frameworks like JSF, spring, Hibernate, IBatis, Jboss Seam, Open Source frameworks, Web logic.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

From millions of candidates, Monster helps you find the one that's just right for you

Call us Toll free : **1-800-4196666**
or
email us at **sales@monsterindia.com**

monster.com
Right Jobs. Right Candidates.

IT Jobs brought to you by monster.com

SAP
Lead Qualification Manager
Location: Ahmedabad
Job ID: 9191759
Description: Role: Qualification of leads generated thru marketing campaigns, events or through partners. Meet prospects to understand their business imperatives and qualify the leads.

Oracle Financial Services Software Ltd
Peoplesoft Techno Functional
Location: Bangalore
Job ID: 9155762
Description: Aspirant must have expertise in Java, JSP, Servlets, EJB, Struts, Hibernate, XML, Application Server, (Web Sphere / Web logic), JMS, Rational Rose, UML, PL/SQL, RDBMS.

Deloitte
Peoplesoft Technical Consultant
Location: Hyderabad
Job ID: 9207207
Description: Person must have experience in extensive use of PeopleSoft Application Engine and SQR for reports, data Manipulation, System Interfaces.

Capital IQ
Quality Analyst
Location: Hyderabad
Job ID: 5781235
Description: Analyst must have hands-on experience with manual and automated testing of client server desktop and web based applications; exposure to SDLC concepts.

Informatica Corporation
Product Specialist
Location: Bangalore
Job ID: 8495348
Description: Applicant must have exp in OO design & implementation, Java code profiling tools, RDBMS, Web services; Strong programming skills (Java) and expertise in multi-threaded.

Cybage Software Pvt. Ltd.
Software Engineer/ Programmer
Location: Ahmedabad, Gandhinagar
Job ID: 8276936
Description: Professionals must have experience in Flash / Flex, Action Script 2.0 /3.0, JavaScript; Knowledge of Photoshop, OOPs, HTML, CSS, Adobe AIR, PaperVision3D, Flex charting.

Hexaware Technologies Limited
PeopleSoft Testing
Location: Chennai
Job ID: 9147452
Description: Person with 2.6 – 5 Years of experience; should have worked on Testing on to PeopleSoft (HRMS); should be good in communication.

Datacraft India Limited
L2 Microsoft Engineer
Location: Bangalore
Job ID: 9214048
Description: To troubleshoot and manage client Microsoft environment events and also assist the client with their queries and ensure we meet our agreed SLA's.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com. We'll get you the right candidate, no matter what.

monster.com
Right Jobs. Right Candidates.

Sales and Marketing Jobs brought to you by monster.com

India Mart
Sr. Manager-Client Servicing
Location: Bangalore
Job ID: 9211483
Description: Role: Ensure strict adherence of sales process and internal procedures by the team members in matter of clients meeting, reporting systems and individual deliverables.

McAfee Software India Pvt Ltd.
Business Development Manager Consumer
Location: Mumbai
Job ID: 9209032
Description: Tasks: Identifying, developing business opportunities in new & existing top tier partners such as Telecommunication providers, ISP's, Banking and Finance and Portal/hosting companies.

Monster.com
Corporate Relationship Manager
Location: Hyderabad
Job ID: 9186782
Description: Incumbent will be responsible for acquisition and mgmt of all Business for the assigned territory/accounts. The job involves planning and execution of sales plans and programs.

Support.com India Pvt Ltd
Product Manager
Location: Bangalore
Job ID: 8391366
Description: The Product Manager will have responsibility for managing and leading the success of multiple Support.com products in directly driving key support.com business metrics.

Religare Technova IT Services Ltd
Executive-Telemarketing
Location: Delhi, Noida
Job ID: 9179930
Description: Aspirants must have relevant work experience in telesales and telemarketing and good communication skills.

Infotech Enterprises Limited
Sr.Manager - Marketing Strategy & Communication
Location: Hyderabad
Job ID: 9119097
Description: Will be responsible for developing and implementing marketing communication strategies which will also include content refinement, messaging, copywriting and layout.

CIBER INC
Market Research Analyst
Location: Bangalore
Job ID: 9077089
Description: Ability to analyze quantitative and qualitative data primarily from paid research websites, financial and company website, extract meaningful information and generate insight for senior management.

Integreon
Grail Research - Business Research Analyst
Location: Noida
Job ID: 9128907
Description: Looking for relevant Life Sciences specific skill set - Biotechnology/ Biomedical/ Biochemistry/ Pharmacy/ Pharmaceuticals/ Chemical Engineering/ Environmental Engineering/ MBBS /BDS.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

Find the right candidate with Monster's 3 Layer Quality Check

Profile targeting
Barrier prompt
MagicFilter

Try Monster's enhanced Job Posting today. Its one of the many things we do to get you the right candidate.

Call us or email us at sales@monsterindia.com.
Toll free : 1-800-4196666

monster.com
Right Jobs. Right Candidates.

business today

Jobs Today

monster.com

Finance Jobs brought to you by monster.com

PwC Service Delivery Center
Verticals Assurance and Tax
Location: Kolkata
Job ID: 9042602
Description: Looking for Fresh Chartered Accountants (0-3 years exp in Assurance) Experienced IT Risk and Control Services specialists (1-4 years experience, CISA desirable but not essential).

LSI
Finance Manager
Location: Bangalore
Job ID: 9034344
Description: Tasks: Assist Senior Manager in monthly close, reporting, and compliance of LSI India. Manage LSI's payment processing operations in India.

Sapient
Senior Associate/Manager (Fund Accountant)
Location: Bangalore
Job ID: 9210978
Description: Duties: Review of monthly fund and business entity closing summaries for Fund Administrator; Report and analyze financial data to be disseminated to Fund Administrator's clients.

GlobeOp Financial Services
Senior Trading Systems Analyst
Location: Mumbai
Job ID: 8849567
Description: Support 3rd party & in-house trading systems Investigate business problems and requirements, write specifications, scripts and reports Solve business problems with trading system workarounds etc.

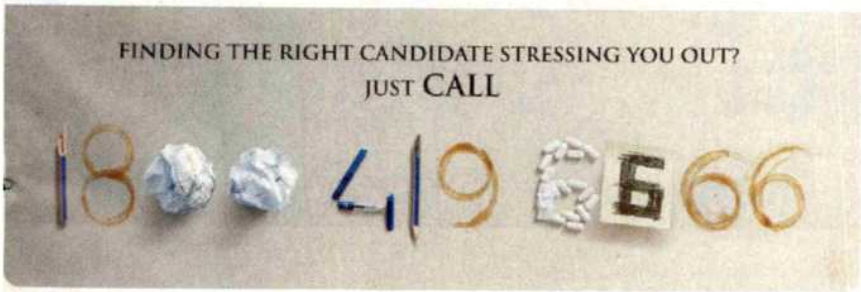
SIEMENS
SR Officer - Accounts & Finance
Location: Bangalore
Job ID: 8932430
Description: Candidate Must have at least 1-3 yrs of experience in accounts, can be from any industry. Must have excellent accounting skills.

Cognizant Technology Solutions India Private Limited
Cost Accountant / ICWA
Location: Hyderabad
Job ID: 9211643
Description: Functions: Daily, Weekly, Monthly and Quarterly Cost & Headcount reporting; Identifying variances between actual vis-à-vis forecasts and estimates; Strong in Microsoft Excel.

Aricent Technologies (Holding) Ltd
Assistant Manager - Finance
Location: Gurgaon
Job ID: 9207535
Description: Strong working experience in Fin & Accounts with hands on experience in Travel & foreign entities accounting.

JPMorgan Chase Bank
Team Specialist (Global Finance)
Location: Mumbai
Job ID: 9201062
Description: Looking for BCom /MCom graduate with 3-4 years of experience in finance, accounting and valuation concepts; person must have good knowledge of Excel, Access, standard Office suite.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.



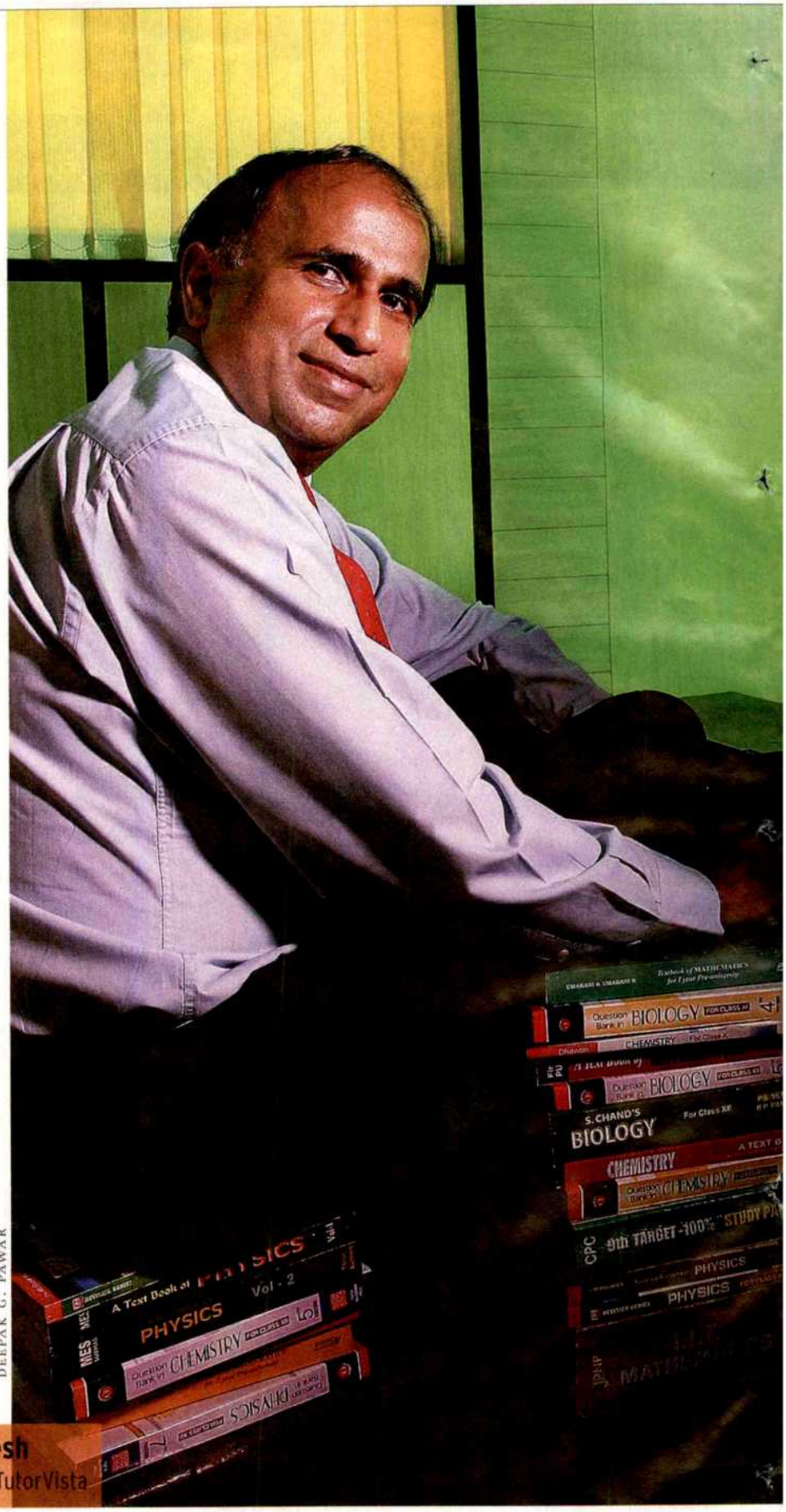
For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com. We'll get you the right candidate, no matter what.

monster.com
Right Jobs. Right Candidates.

Resetting the Clock

Those who know **KRISHNAN GANESH** call him a maverick, a maverick genius at that. "Two things drive an entrepreneur. One is passion and the other, the stupidity to do it," he says. But to watchers it is genius that is driving this serial entrepreneur — his education venture saw its valuation touching ₹1,000 crore in five years. Recently, British media group Pearson plc acquired TutorVista Global, the Bangalore-based education-cum-consumer Internet services firm, by increasing its stake to 76 per cent for a consideration of ₹577 crore. The deal values the five-year-old company at $213 million. "I am not exiting; I am resetting the clock... and starting from here with Pearson," says Ganesh. Not for the first time, though. In 1990, he became CEO of his first venture IT&T, which was later sold to iGATE Corp. He and wife Meena Ganesh founded CustomerAsset, becoming a first mover in the business process outsourcing industry in 2000. It was later sold to ICICI OneSource and became ICICI Firstsource. In 2005, he started TutorVista, an online tutorial firm. He now wants to create a $1-billion company in three years. But that does not mean missing his daily tennis routine.

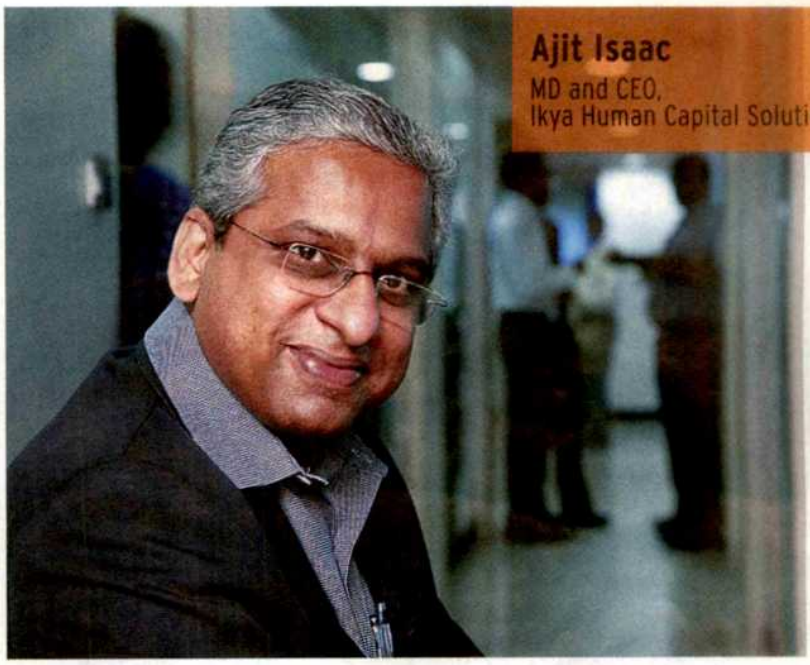
SAUMYA BHATTACHARYA



DEEPAK G. PAWAR

Krishnan Ganesh
Founder and CEO, TutorVista

The People Man



Ajit Isaac
MD and CEO,
Ikya Human Capital Solutions

DEEPAK G. PAWAR

Serial entrepreneur **AJIT ISAAC** plans to make his firm, Ikya Human Capital Solutions, India's leading human resources firm "like the kind which we can use as a springboard to get into other emerging markets". After exiting his last venture, PeopleOne Consulting, when global HR firm Adecco came calling in 2007, he bought a substantial stake in Ikya in 2009 and has since gone on an acquisition spree. Isaac now wants to pilot Ikya into a leader in top-line growth and margins.

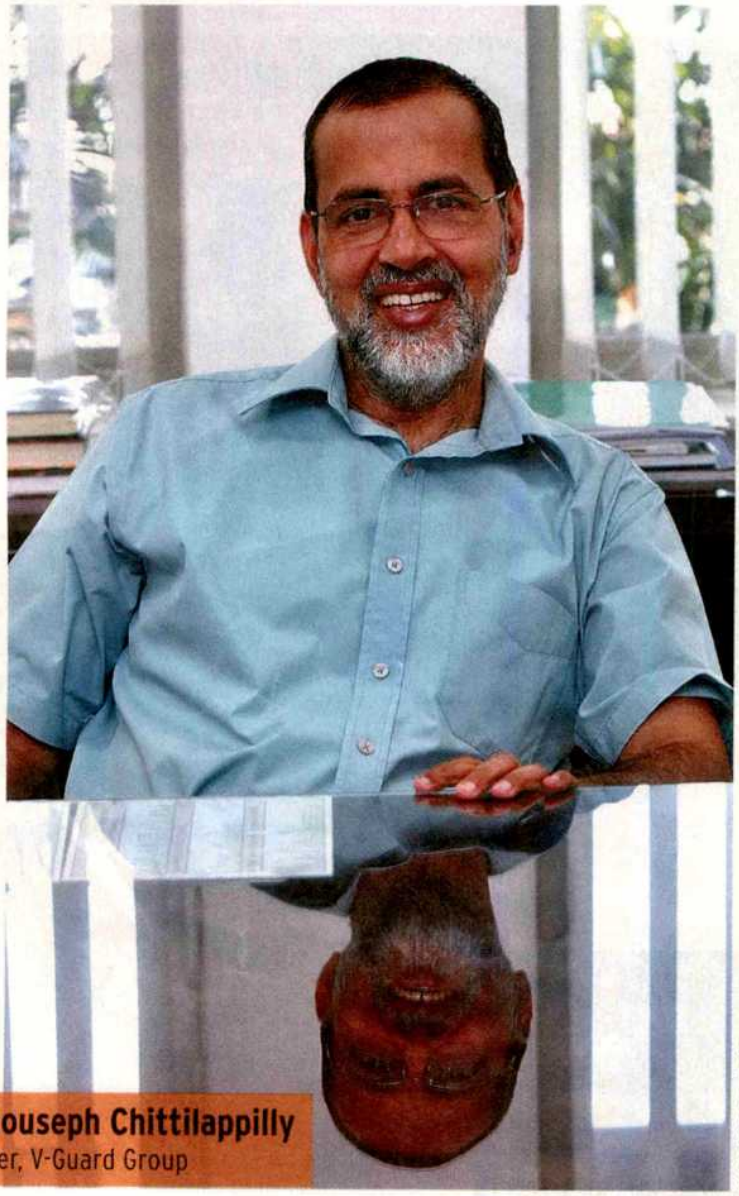
K.R. BALASUBRAMANYAM

Sandeep Arora
Director, Spiritual Luxury Living

The Whisky 'Educator'

Educating people is a noble quest, but educating people on the joys of whisky, as some would argue, is even nobler. Eight years ago, very few people in India knew about single malt whisky. Last year close to 700,000 cases of single malt whisky were sold, which, according to **SANDEEP ARORA,** Director of Spiritual Luxury Living, is an increase of over 100 per cent in the last five years. "There has been a major change in the way Indians have started consuming luxury spirits over the last few years. Not only is there access to these spirits today, there is also increasing knowledge of brands," says Arora, India's top whisky 'educator'. Some people drink on the job, for this man, drinks are a job.

KUSHAN MITRA



Kochouseph Chittilappilly
Founder, V-Guard Group

A.S. SATHEESH

A New High in Charity

Corporate social responsibility and philanthropy among India's rich and famous are not new. But one industrialist has raised the bar that few can match. **KOCHOUSEPH CHITTILAPPILLY**, 60, Founder of the Kerala-based V-Guard Group, has offered to donate his kidney to an ailing truck driver. The inspiration came from a movement — Kidney Federation of India — started by David Chiramel, a Catholic priest. Himself a donor, Chiramel's initiative connects possible donors with the needy. Chittilappilly had experienced difficulties in finding a donor for a close relative two years ago. The relative's subsequent death set him thinking and he started making inquiries about the effects of kidney donation on the donor's health. "The doctors told me one kidney is enough to lead a normal life. I am proud that I am medically fit to donate a kidney," he says.

K.R. BALASUBRAMANYAM

Microsoft's India Man

AMIT CHATTERJEE is a 22-year-old veteran at Microsoft. Quite amazing when you consider that the software giant itself is just 35 years old. Chatterjee helped in the development of the earliest versions of Windows. An alumnus of IIT Kharagpur, he returned to India as one of the first at Microsoft India Development Center, or MSIDC. Now, as its MD, Chatterjee has in his hands possibly his hardest task — leading the transformation of MSIDC by providing thought leadership and "the next level of impact" for Microsoft in select areas. "We have come a long way... Our first focus then was to demonstrate that we can build products from India. By 2006, we were involved with 70-odd projects. We decided to focus on key strategic areas of ownership and instead of too many projects, we got to working on 18 to 20 key ones," he says.

E. KUMAR SHARMA

Amit Chatterjee
MD, MSIDC

A. PRABHAKAR RAO

Building a happier future

ECO-FRIENDLY LED TV

AIR CONDITIONERS

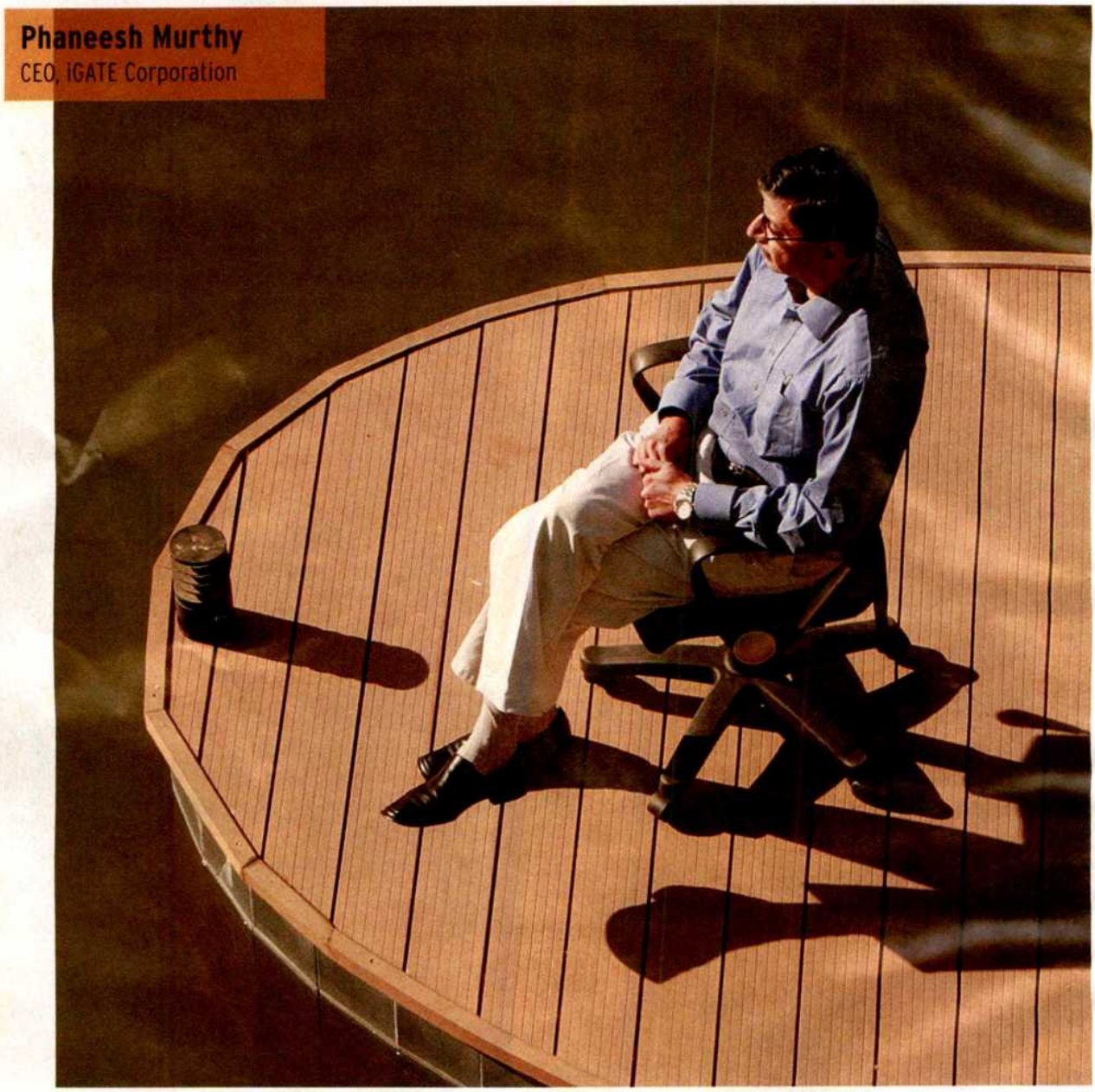
ULTRA SHORT THROW
LCD PROJECTOR

TOMORROW TOGETHER

We think of your comfort and making your life better through leading innovation. No wonder our products are designed keeping you and your loved ones in mind. Be it our Air Conditioners for premium comfort or our eco-friendly LED TV for life like picture clarity or the stylish ultra short throw LCD Projectors for crystal clear projection. Hitachi is **Trusted** for its eco-friendly, advance and innovative Japanese Technology the **world over since 1910** and present in **India for more than 50 years.** Hitachi means a better **Tomorrow.** Hitachi means a partnership with you **Together.**

www.hitachi.co.in/tomorrowtogether

HITACHI
Inspire the Next



Phaneesh Murthy
CEO, iGATE Corporation

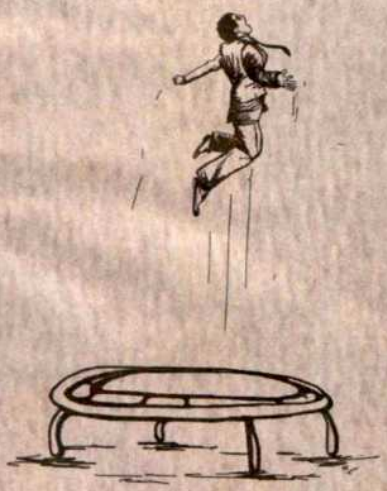
DEEPAK G. PAWAR

Million Dollar Boss

He clinched a hard-fought deal to buy Patni Computer Systems, a struggling software outsourcer three times the size of his firm. Now, **PHANEESH MURTHY**, the 47-year-old CEO of iGATE Corporation, is getting rewarded for three months of hard work. The former Infosys Technologies sales whiz, who went out of the spotlight after quitting the software giant in 2003 over allegations of sexual harassment, has firmly re-established himself in the headlines once again. Not just for his gumption in chasing and closing the Patni deal, but also for having his basic pay at the NASDAQ-listed iGATE doubled from $500,000 to $1 million. The adventurous Murthy, who likes to choose one extreme sport every year to test the outer limits of his bravery (he went cliff jumping in 2010), has taken the long road back to stardom. Primentor, the firm he started after quitting Infosys, was acquired by iGATE. Since then he has spent sleepless nights transforming the firm from a rudimentary body shopper to an IT services outsourcer, culminating in the Patni deal for iGATE. Spotlight is nothing new for Murthy, only he is getting comfortable under it once again.

RAHUL SACHITANAND

www.economictimes.com



Will this budget take you higher?

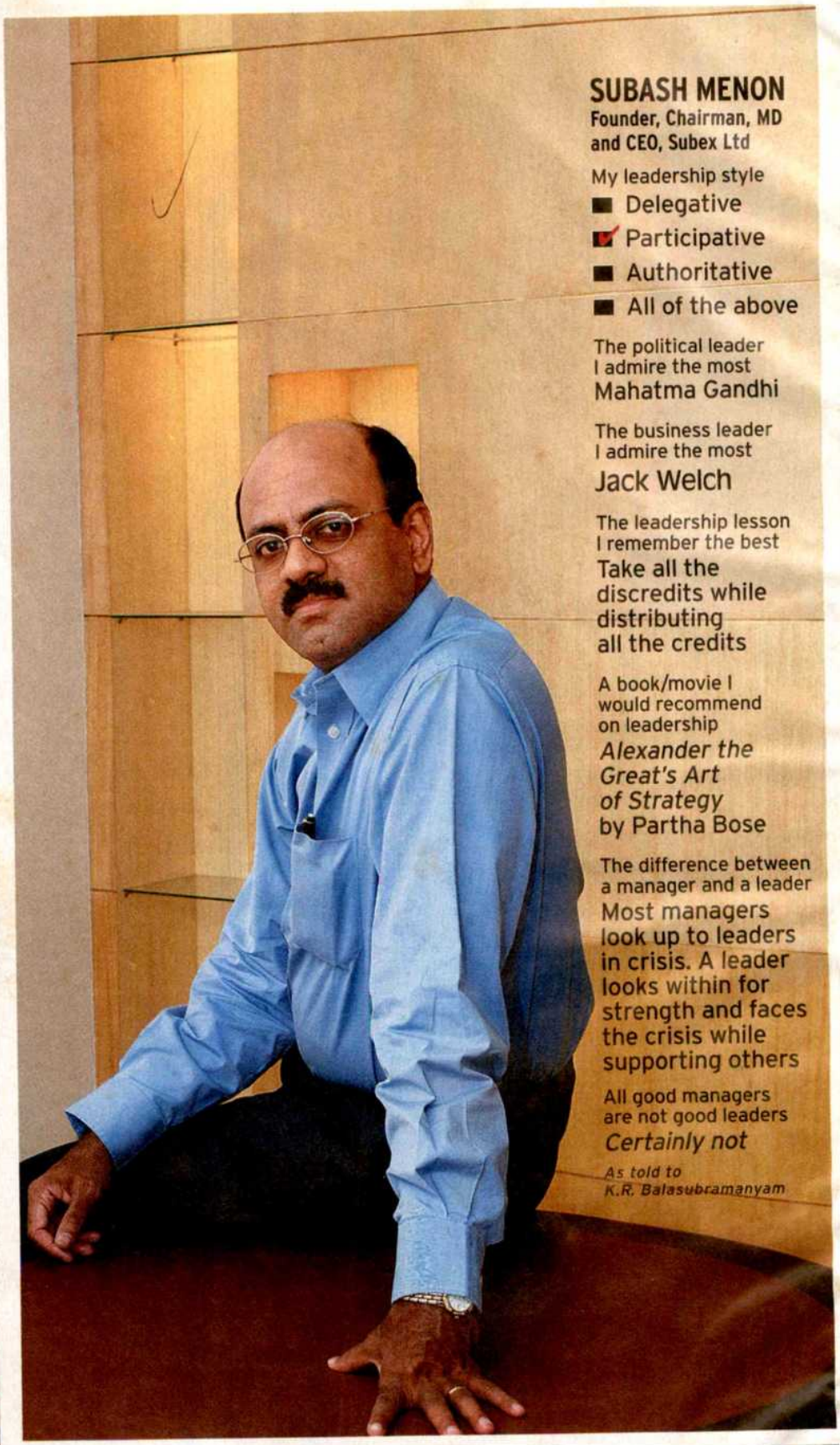
Will you see better times than ever before?
How will the policies and decisions affect you?
400 seasoned professionals bring you every angle of Budget 2011.
Follow it on www.economictimes.com

airtel

come join India's network
bring your number along

Call 1800-103-1111
(toll free)

Mobile Number Portability, now available



SUBASH MENON

Founder, Chairman, MD and CEO, Subex Ltd

My leadership style
- ☐ Delegative
- ☑ Participative
- ☐ Authoritative
- ☐ All of the above

The political leader I admire the most
Mahatma Gandhi

The business leader I admire the most
Jack Welch

The leadership lesson I remember the best
Take all the discredits while distributing all the credits

A book/movie I would recommend on leadership
Alexander the Great's Art of Strategy by Partha Bose

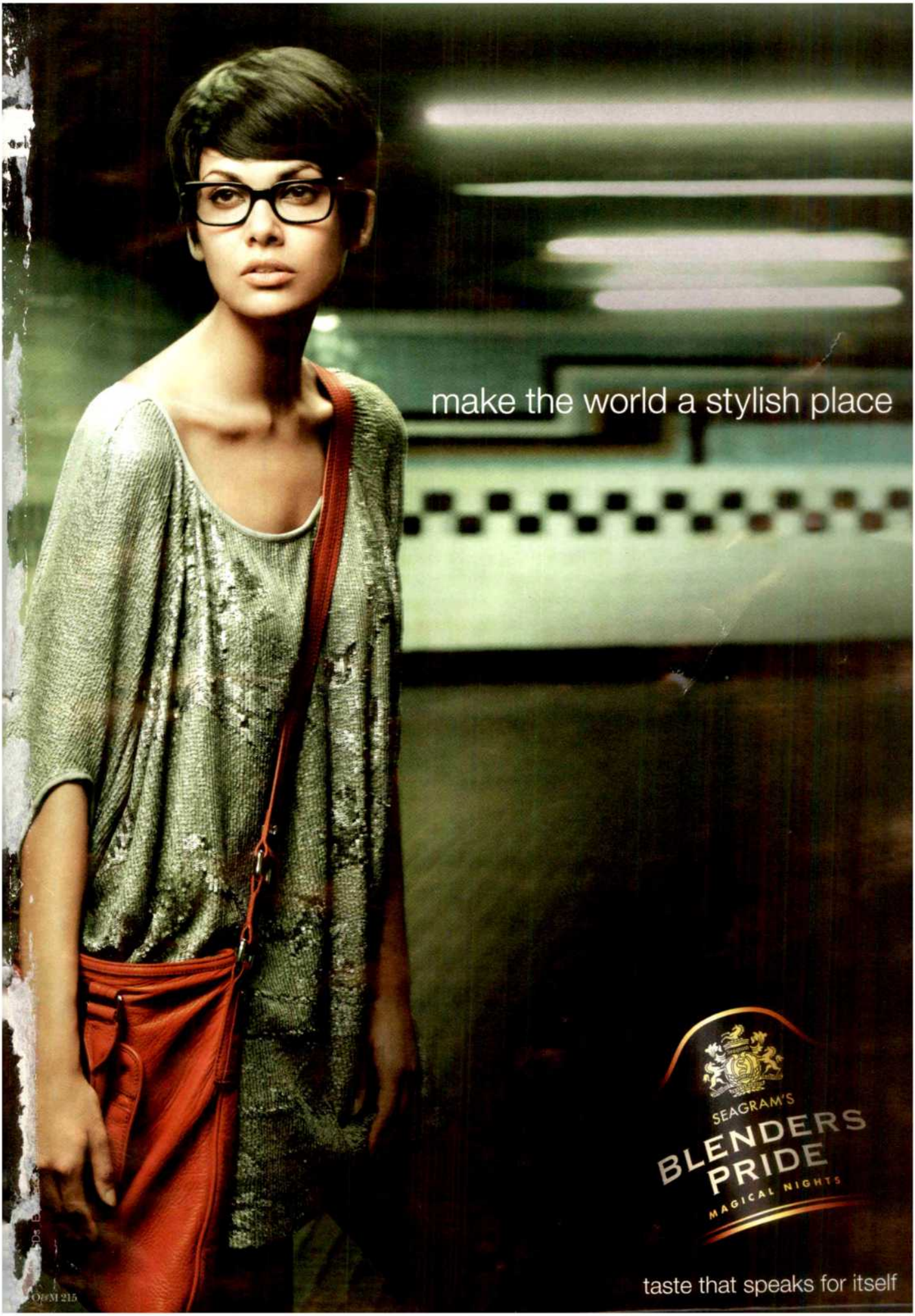
The difference between a manager and a leader
Most managers look up to leaders in crisis. A leader looks within for strength and faces the crisis while supporting others

All good managers are not good leaders
Certainly not

As told to
K.R. Balasubramanyam

DEEAK G. PAWAR/www.indiatodayimages.com

Vol. 20, No. 4, for the fortnight February 7-20, 2011. Released on February 7, 2011.


make the world a stylish place
SEAGRAM'S
BLENDERS PRIDE
MAGICAL NIGHTS
taste that speaks for itself

www.jmfina

CALCUTT
CENTRAL
LIBRARY
UNIVERSI

INTELLIGENCE SAYS,

GOOD INVESTMENTS ARE REWARDING, LONG-TERM RELATIONSHIPS.

TRUST INTELLIGENCE.

JM FINANCIAL

INVESTMENT BANKING | SECURITIES | RESEARCH | FINANCING AND DISTRIBUTION | WEALTH MANAGEMENT | ASSET MANAGEM